DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES, AND EDUCATION, AND RELATED AGENCIES APPROPRIATIONS FOR FISCAL YEAR 2016

THURSDAY, APRIL 16, 2015

U.S. SENATE,
SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS,
Washington, DC.

The subcommittee met at 10:07 a.m., in room SD–124, Dirksen Senate Office Building, Hon. Roy Blunt (chairman) presiding.

Present: Senators Blunt, Moran, Cochran, Alexander, Cassidy, Capito, Lankford, Murray, Mikulski, Shaheen, Schatz, and Baldwin.

DEPARTMENT OF EDUCATION

OFFICE OF THE SECRETARY

STATEMENT OF HON. ARNE DUNCAN, SECRETARY

ACCOMPANIED BY THOMAS P. SKELLY, DIRECTOR, BUDGET SERVICE

OPENING STATEMENT OF SENATOR ROY BLUNT

Senator BLUNT. The Appropriations Subcommittee on Labor, Health and Human Services, and Education, and Related Agencies will come to order. Glad to have, certainly, Secretary Duncan with us today.

Mr. Secretary, thank you for being here, and thank you for the conversations we have had prior to this hearing today. We look forward to working with you.

One of the long-term commitments to the national government, even before it was the government under the Constitution, was to do things to encourage education. I think the Land Ordinance of 1785, the Northwest Ordinance, set aside a section in all that developed territory to be sold to be used for public schools. So that is how long the Federal Government or the national government has thought there was a role here.

I would also point out that they had no real interest in running those local schools whenever they set that aside. And I am, certainly, always more receptive to those things we do that encourage local school districts to try things, rather than to tell them that they have to do things that apply all over the country.

I guess one of my biggest concerns with the budget submitted is that it appears to be well beyond the amount of money that the law

would currently allow us to spend on these issues. I hope we can work together to find common ground of prioritizing, even in the early stages of marking up the budget, the kinds of things you believe and we agree would have the most impact on making education work better for families and students.

I was encouraged that the budget emphasizes funding for core education programs like Title I and IDEA, things that we long ago told local districts they had to participate in, and generally promised a significantly higher level of support than the Federal Government has already provided. So I was glad to see you looking in that direction.

I am concerned that we overreach into too many education issues, as you and I have talked about. State capitals, in many cases, are a long way from where education really has to meet the students' needs, let alone the national capital. And we need to be looking at that.

I also want to talk later about the idea of a proposed framework for a Federal college rating system. I think it's hard to come up with a truly unbiased rating or ranking system. Frankly, I haven't yet been persuaded there is a reason for that.

We have such diversity in higher education and diverse ways of both delivering a product and measuring whether that product has impacted the people who are served by that institution in a way that really advances them. So I think this is going to be an area that I'm going to be concerned about, as you know.

But hopefully, we can work together to meet the goals of this committee, which is to achieve the right funding levels and the right policy, to help you achieve the right policy levels for the department.

So I'm glad you are here today.

I'm also glad to recognize Senator Murray, as she joins as the ranking member of this committee.

STATEMENT OF SENATOR PATTY MURRAY

Senator MURRAY. Thank you very much, Mr. Chairman.

You know, this is a very timely hearing on the Department of Education's budget proposal. I also serve as the ranking member on the Senate Health, Education, Labor and Pensions Committee, Senator Alexander is here as well, and is the chair of that subcommittee.

And we began this week marking up a bipartisan bill to reauthorize the Elementary and Secondary Education Act. That compromise is a strong step in the right direction to fix the badly broken No Child Left Behind law. It will give States and districts flexibility while also maintaining Federal guardrails to ensure all of our students have access to a quality education.

We will continue to work on this bill today in the HELP Committee. Senator Alexander, I'm assuming, will be able to move it out, so congratulations to you on that. I look forward to working with all of my colleagues to improve our bipartisan compromise and actually get this bill signed into law.

And I want to thank you, Mr. Secretary, for all of your leadership and for your staff's assistance to get the bill as far along as

it is. I look forward to continuing to improve the bill with your help.

And for our work on this committee, we will need to make sure that we make the right investments to improve education and expand opportunities for all Americans.

I believe the only way to create sustainable economic growth is from the middle out, not from the top down. And education is an important investment to ensure our government works for all of our families, not just the wealthiest few, so more people get the opportunity to learn and to work hard and succeed.

Not only that, a quality education system is also essential to our Nation's economic competitiveness. The investments that we make today will help ensure that America's workforce in the years ahead will be able to create and take on the jobs of the 21st century.

Of course, last month, the Senate debated and passed a budget resolution. Unfortunately, I believe that that budget proposal, and the one that passed the House, fails to support investments that we do need in education.

By contrast, the President's budget proposal would invest in students, educators, schools, and communities to make sure that every American has access to high-quality education from the cradle through their career.

In 2013, I was very proud to work with Democrats and Republicans to break through the gridlock and dysfunction here to reach an agreement that rolled back those automatic cuts for fiscal years 2014 and 2015. That deal, as we all know, prevented another government shutdown. It moved us away from the constant crises. And it restored critical investments in education and research and defense jobs and a lot more. And it really helped get our economy moving again.

So we need to work on ways to build on that agreement, lift the caps, and restore those critical investments for the coming year and beyond. The President's budget would do that. It would roll back cuts to both defense and nondefense discretionary spending.

Now, Democrats and Republicans both agree that sequestration is terrible policy. We worked together to address this before, and I hope we can work with colleagues on both sides of the aisle in both chambers to come to a compromise, avoid another crisis, and ensure that we are investing in our communities.

SUPPORT FOR THE PRESIDENT'S BUDGET

The Department of Education's budget proposal starts with our youngest learners. I'm a former preschool teacher. I have seen firsthand the kind of transformation that early learning can inspire in a child. And I believe that we should be investing more in children, not less.

The President's budget would increase funding for the preschool development grants program. Right now, this program is helping 18 States expand high-quality early learning programs for low- and middle-income children and families. But the need to expand high-quality early learning programs doesn't just exist in 18 of our States. In fact, 36 States actually applied last year, including my home State of Washington.

This budget proposal would continue this program and enable my State and others to earn grants to expand early learning.

In our country, we believe that all students should have access to a quality public education, regardless of where they are from or how they learn or how much money their parents make. Congress established Title I in the Nation's education bill to provide Federal resources so students from all backgrounds get the support they need to succeed.

But today, across the country, inequality in our education system persists. Some schools simply don't offer the same opportunities as others.

Mr. Secretary, I was very pleased to see that the department's budget proposal proposes an increase in Title I funding. Those resources will help close the gaps in education and achievements so all of our students do have access to high-quality education that puts them on a path to graduate from high school and college and be career ready.

And, Mr. Secretary, I do want to raise a concern on Impact Aid in your proposed budget. Impact Aid is what gives our students and schools in our military and our tribal communities Federal support and stability. As you know, Impact Aid is critical for communities in Washington State and across the country.

Your budget would eliminate $67 million for the Federal property program within Impact Aid. I have made very clear that I oppose those cuts, just as a bipartisan majority of my colleagues do.

Also, Mr. Secretary, as you know, our country will need a highly skilled workforce to take on the jobs of the 21st century. In Congress, we should be working to make college more affordable, to reduce the crushing burden of student debt, and to give Americans the chance to further their education and training and skills. So I am pleased that your proposal will help make college more affordable by increasing investments in the Pell Grant program.

In addition, last year, Congress came together to pass the Workforce Innovation and Opportunity Act with strong bipartisan support. In that bill, we strengthened the connections between adult education and workforce systems. I'm pleased that your budget proposes resources to support integrating those systems, so more workers can connect with available job positions.

In our country, as I said, we believe all students should have access to quality public education, so thank you, Secretary Duncan, for being here today to share the department's vision for achieving that goal.

Overall, the President's budget proposes several important investments that will help prepare all students for the challenges of the coming century, and they will help sustain long-term and broad-based economic growth from the middle out, so that more families have the chance to get ahead, not just those at the top.

I am very hopeful that Democrats and Republicans can work together to make investments we need to make, to make sure every American gets the chance to learn.

Thank you, Mr. Chairman. I yield back.

Senator BLUNT. Mr. Secretary, thank you again for being here. As you start into your seventh year as the Secretary of Education,

I appreciate your dedication to this cause and the work you have done.

I might say, before we start, I think we have a vote scheduled at 11, but I think it is only one vote, so my goal would be to continue the hearing, Senator Murray, if that is okay with you. We will try to go over at different times and cast that one vote and take advantage both of our time and your time in the best possible way.

Mr. Secretary, we are glad you are here, and look forward to your testimony.

SUMMARY STATEMENT OF ARNE DUNCAN

Secretary DUNCAN. Thank you so much, Mr. Chairman, Ranking Member Murray, and members of the subcommittee.

I am pleased to talk to you today about how we can continue important progress and expand educational opportunity for every child in America. Thanks to the hard work of America's teachers, principals, families, communities, and, very importantly, the students themselves, for the first time ever, four out of five students are completing high school on time.

High school graduation rates are at record highs. Dropout rates are at historic lows. We have seen very significant reductions in dropout rates for minority students.

College enrollment for African-American and Hispanic students is up by more than 1 million since 2008. And more students than ever are graduating from college.

Getting to this point has required huge and difficult challenges in our schools. These changes haven't been easy, but they are working.

To build upon our current momentum, it's imperative to give schools and educators the support, resources, and funding they need. This is not the time to turn back the clock on progress that our schools, our children, and ultimately our Nation are making.

At the end of 2013, as you talked about, policymakers under Senator Murray and Representative Ryan's bipartisan leadership came together to partially reverse sequestration and pay for higher levels of discretionary funding with long-term reforms.

REVERSING SEQUESTRATION

This agreement, while limited, allowed us to invest in critical areas, from strengthening our military to research in our schools. In 2014, Congress was able to restore some sequestration cuts to Title I, which serves our poor children, and Individuals with Disabilities Education Act, Part B (IDEA), which serves children with special needs.

The President's 2016 budget builds on this progress by reversing sequestration and paying for it with a balanced mix of commonsense spending cuts and closing tax loopholes. The President's budget also proposes additional deficit reduction and would reduce debt as a share of our economy.

The President has made it clear that he will not accept a budget that locks in sequestration, which would bring both defense and nondefense funding to their lowest levels in a decade.

The reality today is that States and districts and families and students need more smarter resources to prepare all students, both for their future and for their now. To that end, our budget reflects four main priorities.

PRIORITIES OF THE PRESIDENT'S BUDGET

First, ensuring that all young people have a chance to learn and succeed. Our request includes a $1 billion increase for Title I to help close resource and equity gaps.

Second, as Senator Murray talked passionately about, we want to help States expand high-quality preschool. Our budget includes $75 billion in mandatory funding to work with States to make voluntary preschool available to all low- and moderate-income 4-year-olds. It also includes $750 million to continue and expand preschool development grants, where there is so much demand, as we see across the Nation.

Third, supporting educators, including by investing $2.3 billion to improve teacher and principal effectiveness.

And finally, improving post-secondary access, affordability, and outcomes, most notably through America's College Promise, which would make 2 years of community college free for responsible students. That idea has been led by Senator Alexander's State of Tennessee.

Across these areas, we commit to supporting and spreading local innovations, not innovations coming from me or anyone else in Washington, but local innovations like those in the Investing in Innovation program. We have received more than 2,800 applications for this program. Unfortunately, we only had resources to fund about 140 of these fantastic local ideas. Our aim is to focus on using and developing evidence to maximize results both for students and for taxpayers.

Through First in the World, we are aiming to promote student success at scale. A set-aside for minority-serving institutions and historically black colleges and universities will support their critical contributions to this work. We had an overwhelming response to the 2014 competition, 460 applicants, and we were able to fund only 24.

Educators and schools need support to advance their progress. This isn't about spending money for its own sake. It is about making prudent investments to ensure excellence and equity for every student.

Quickly, before I close, I want to thank Senator Alexander and Senator Murray for their good faith bipartisan work to try to fix the broken No Child Left Behind. It has been long overdue. We are moving to real work. I can't ask you to work any harder or smarter or more collaboratively. There is a long way to go, as you said, Senator Murray. But I just really, really appreciate your combined leadership and hope, not for us but for our Nation's kids. So thank you so much.

I will stop there and be happy to take any questions you might have. Thank you, Mr. Chairman.

[The statement follows:]

PREPARED STATEMENT OF HON. ARNE DUNCAN

Mr. Chairman, Ranking Member Murray, and Members of the Subcommittee: I am happy to testify on behalf of the President's 2016 budget request for the Department of Education. The overall discretionary request is $70.7 billion, an increase of $3.6 billion, or 5.4 percent, over 2015.

At the end of 2013, policymakers came together on a bipartisan basis to partially reverse sequestration and to pay for higher discretionary funding levels with long-term reforms. We have seen the positive consequences of that bipartisan agreement for our ability to invest in the future, including partially restoring cuts in education programs like Title I and IDEA. We have also seen the positive consequences for our economy, which is experiencing the fastest job growth since the late 1990s.

The President's Budget builds on this progress by reversing sequestration, reducing the deficit, and putting debt on a downward path as a share of the economy. The President has been clear that he will not accept a budget that locks in sequestration or one that increases funding for our national security without providing matching increases in funding for our economic security. It would damage our economy, preventing us from making pro-growth investments in areas ranging from basic research to education.

The President has a plan to build on the bipartisan Murray-Ryan agreement and end sequestration—fully reversing it for domestic priorities in 2016, matched by equal dollar increases for defense. He would more than pay for these new investments with smart spending cuts, program integrity measures, and commonsense tax loophole closers.

Building on the bipartisan Murray-Ryan agreement and reversing sequestration will make space for critical education investments. Even without adjusting for inflation, total discretionary funding for education in 2015, excluding Pell Grants, remains below its fiscal year 2008 level. If you take into account inflation, education funding without Pell Grants is 10 percent below 2008. It's time to turn that trend around and invest in the country's most important asset, our people. Evidence shows us that this investment will contribute to better jobs, higher earnings, and ultimately reduced income inequality.

If we can reverse sequestration, Mr. Chairman, you, Ranking Member Murray, and the other Members of the Subcommittee can put together a bill that's good for kids and the Nation.

PRESIDENT OBAMA'S 2016 BUDGET REQUEST

Within our budget, we have four key priorities: (1) equity and opportunity for all students; (2) high-quality early learning programs; (3) support for educators; and (4) improving access, affordability, and student outcomes in postsecondary education. The Budget also reflects a strong emphasis on using and developing evidence in order to maximize results for taxpayers and students.

INCREASING EQUITY AND OPPORTUNITY FOR ALL STUDENTS

The first major priority is to ensure all of our young people, especially those poor and minority students in high-poverty schools that are the focus of the Elementary and Secondary Education Act (ESEA), have the chance to learn and achieve. The outcomes of our education system continue to reflect unacceptable inequities in the distribution of resources, including funding, high-quality teaching, challenging coursework, and other important academic and nonacademic supports that contribute to improved student achievement. To close this resource and opportunity gap, the request provides a $2.7 billion increase, or almost 12 percent, for ESEA programs, including a $1 billion increase for Title I Grants to Local Educational Agencies (LEAs)—the cornerstone of the Federal effort to ensure that all students— including poor and minority students, students with disabilities, and English Learners—graduate from high school prepared for college and careers. The request also provides $11.7 billion, an increase of $175 million, for Grants to States under the Individuals with Disabilities Education Act (IDEA) to support special education and related services for children with disabilities, and $773 million, an increase of $36 million, for English Language Acquisition grants for English Learners.

A key request in this area is a new Equity and Outcomes pilot that would promote more equitable and effective uses of Federal formula grant funds. Applicants would demonstrate a commitment to equitably distributing State, local, and Federal dollars—based on actual expenditures—to their highest poverty schools. In exchange, participating districts could receive flexibility from fiscal, monitoring, and reporting requirements for their schools, and could combine Federal formula funds

to support a districtwide plan to use evidence-based practices and strategies that improve student achievement in high-poverty schools.

We are also proposing new resources that would help improve educational opportunities and outcomes in some of our most impoverished communities, including a $93 million increase for the Promise Neighborhoods program. These funds would help an additional 25 high-poverty communities develop and implement neighborhood-based plans for meeting the cradle-to-career educational, health, and social service needs of children and families in high-poverty communities. In addition, the President's request includes a $50 million increase to significantly expand the Native Youth Community Projects program that we are launching in 2015. These funds will be deployed this year in a select number of Native communities to support culturally relevant and coordinated strategies designed to improve the college-and-career readiness of Native children and youth. The budget proposal would help up to 10 Native American communities develop and implement comprehensive strategies to improve the college- and career-readiness of Native youth.

Finally, consistent with the President's challenge to re-design America's high schools to adequately prepare America's students for college and successful careers, we are proposing $125 million for a new Next Generation High Schools program, to support the whole school transformation of the high school experience for youth. That program would support our school leaders to personalize learning for students and apply challenging academic concepts to real-world challenges, particularly in the areas of science, technology, engineering and math.

EXPANDING HIGH-QUALITY EARLY LEARNING PROGRAMS

The United States has fallen behind many countries in providing access to preschool education, and currently ranks just 25th in the world in its enrollment of 4-year-olds. This is why we are renewing our commitment to a $75 billion mandatory Preschool for All program that would partner with States to support universal access to high-quality preschool for 4-year-olds from low- and moderate-income families. Our preschool request also includes $750 million in discretionary resources to expand the Preschool Development Grants program to nearly every State that submits a high-quality application.

In addition, we are requesting an increase of $115 million for IDEA programs to help States provide high-quality special education and early intervention services for all eligible children with disabilities. These funds include $15 million for Pay for Success pilots to expand early screening and early intervention services for infants and toddlers at risk of autism.

These investments complement important early learning initiatives in the Department of Health and Human services including an historic investment in high quality child care for

children under the age of 4 and new investments in Head Start to make those programs a full school day and school year and expand access for infants and toddlers to Early Head Start.

INCREASING SUPPORT FOR TEACHERS AND SCHOOL LEADERS

Our third priority is to provide support for teachers and leaders who are doing the hard, daily work of implementing new college- and career-ready standards and aligned assessments, turning around our lowest-performing schools, and using new evaluation and support systems to improve their practice. Teachers today do not have the support, opportunities, or autonomy they need to succeed.

Our 2016 request would provide significant new resources to address these concerns. Through the mandatory Teaching for Tomorrow program, our Administration has put forward a new vision for how to support our teachers and principals who are doing the hard work every day to ensure all students graduate high school ready for college and career. This $5 billion over 5 years would support States and school districts as they make meaningful transformations in their approaches to recruiting, training, supporting, retaining, and advancing highly-effective teachers throughout their careers. States and districts would submit plans including strategies that are based on or build evidence of effectiveness. Additionally, we would build on the Teacher Incentive Fund through a $350 million Excellent Educators Grants proposal that would support innovative approaches not only to compensation, but also to professional development, support, and career advancement. We also would support efforts to help expand the pipeline of effective teachers and principals through a consolidated $139 million Teacher and Principal Pathways proposal. We would improve upon the Educational Technology State Grants program, providing $200 million in State formula grants to help teachers and school leaders develop and test new ways to use technology to improve instruction and personalize learning. Finally, we would

maintain strong support for the existing Improving Teacher Quality State Grants program, providing a steady $2.3 billion in funding.

IMPROVING ACCESS, AFFORDABILITY, AND STUDENT OUTCOMES IN POSTSECONDARY EDUCATION

Our 2016 request would help make college affordable and help more Americans attain a college degree or certificate. While the total aid available to postsecondary students has grown dramatically over the past 6 years, helping to ensure that more students are graduating college than ever before, a significant opportunity gap remains. The 2016 request funds a signature initiative, America's College Promise, which would create a new partnership with States to make 2 years of community college free for responsible students, letting students earn the first half of a bachelor's degree and earn skills needed in the workforce at no cost. It also includes a $30 billion investment in Pell Grants to protect and sustain its value for future generations by continuing to index it to inflation beyond 2017.

Another key discretionary request in this area is $200 million for a proposed American Technical Training Fund to expand innovative, high-quality technical training programs that have strong employer partnerships and include work-based learning opportunities.

USING AND DEVELOPING EVIDENCE-BASED PROGRAMS

In recent years, the Department has pioneered several evidence-based programs and introduced priorities for the use of evidence into existing initiatives.

This Budget continues that commitment by increasing funding for programs that provide additional resources for interventions that are either based on evidence of success or help build evidence of what works in education. These programs build on approaches developed during the last Administration and work in partnership with the Institute for Education Sciences. The Budget requests $300 million for the Investing in Innovation (i3) program for K–12 education, and $200 million for First in the World for higher education. Within the latter program, there would be a 30 percent set-aside for Minority-Serving Institutions and HBCUs. The request also creates new incentives for the use of evidence in existing programs, ranging from the Leveraging What Works initiative for K–12 formula programs to targeted increases in the School Improvement Grants and the postsecondary TRIO programs. Finally, the Budget strongly funds the Institute of Education Sciences.

Already, our evidence-based initiatives have funded dozens of randomized control trials and other evaluations that build knowledge about what works. This knowledge can help all educators to help more students succeed.

CONCLUSION

In conclusion, our 2016 request reflects the President's determination to make the investments necessary to secure America's future prosperity. I look forward to working with the Subcommittee to secure support for the President's 2016 Budget for education.

Senator BLUNT. Thank you, Mr. Secretary.

COLLEGE RATING SYSTEM

I will ask a couple questions and we can have another round of questions, if members here want to have that. I'm sure I will have more than one series of questions.

On the higher education ranking system, or the rating system, it has been a year and a half now where the department has been talking about coming up with criteria. That criteria still looks like to me that it's not very specific, even talking about how many intangible things there are in higher education.

I'm wondering why after looking at this as long as you have, and the criteria still being as nebulous as it is, why are we still talking about this? What is the purpose of having this rating system?

Secretary DUNCAN. First of all, I appreciate your past leadership as a university president. Senator Alexander, the same. So you have some real knowledge of this.

We have always come at this, and I have said this from day one, with a real sense of humility. There is a lot we know we can't do. And we can't begin to capture all the ways in which higher education confers value, from inspiring creative passion to creating a healthy democracy. So we come at this with real humility.

But we think there are some basic and key areas where there has been, frankly, a huge lack of transparency. There has been an opaqueness. It's very, very difficult for families to figure this stuff out and to get a better understanding of issues like access and affordability, and the completion of degrees, and whether folks can get a decent job at the backend.

We think that this is a huge decision that young people make, whether they are first-generation college-goers or whether they have two college-educated parents. I can't tell you how many young people I have met with where this process is simply overwhelming. Being able to get better information out to the Nation's young people and their families about graduation rates, what is a grant, what is a loan, what do outcomes look like, is want we want to make it easier.

It's interesting to me. We have 7,000 institutions of higher education, roughly. There is a huge diversity, public, private, 2-year, 4-year, all kinds. It should be a very efficient marketplace. It's not. It's a very difficult one for young people to penetrate.

We look forward to working with you. I hear your skepticism and appreciate it. I'm happy to come back with you and your staff to talk it through.

But we want to do everything we can to get good information out to young people and their families, and help them make better choices, more informed choices.

CONCERNS ABOUT COLLEGE RATING SYSTEM

Senator BLUNT. I would just say, Mr. Secretary, I think one of the reasons that the Federal Government has been able to be involved in higher education in a pretty significant way financially since World War II, is it is the one place where the Federal Government has been willing to make a financial commitment and not try to run the system.

I mean, all these schools are accredited. If you qualify for the financial assistance, then you choose among accredited programs, and that has created a great diversity of options for people to look at that to meet different student needs at different levels.

People like me, who are the first person in their family to graduate from college, often have a different set of aspirational goals and a sense of what college might mean to them, as opposed to somebody who is a fourth-generation Harvard student who probably has not only a different set of goals, but likely to make more money.

Eight hours at community college that allows you to get a better job than you otherwise would have had, is that a plus or minus in this system, whether you graduated or not?

I just think with all the challenges out there, that this is one— I can't find very many people in higher education, I'm going to concede there might be one, but I haven't found one yet, who thinks

this really adds to the system rather than adds to the confusion in the system that might be there already.

GAINFUL EMPLOYMENT

On this subject, let me also, on the other side, the sort of gainful employment side, which seems to be particularly focused at the for-profit side of higher education, where are you headed in terms of what you consider a gainful employment ratio between what somebody was making and the student loan they were trying to pay off? How would you measure that?

Secretary DUNCAN. Just to be very, very clear that gainful employment is not just focused on the for-profit sector. There are fantastic actors in the for-profit sector, but there are some very bad actors in the for-profit sector.

We had to take some action earlier this week, and the institution will have a chance to reply. But the findings that we are putting forward are pretty stunning, pretty egregious—the waste of taxpayers' money, which I think none of us want to support, none of us can feel good about, and leaving young people in a worse position than where they started.

So all we want to do is make sure that young people are getting real skills that lead to real jobs and lead them to a better financial situation. When young people are taking on massive debt, who are already struggling, who are often already in a disadvantaged position, and ending up in a worse position because of this, I think we do them a great disservice. I think we do taxpayers a great disservice.

So where there are good actors who are providing real skills and providing a ladder to the middle-class, we want them to grow. We want them to prosper. We want them to serve more young people.

But where you have actors who are taking advantage of a massive influx of taxpayer resources, and actually leaving people in a worse position than when they started, that is not something you or I or any of us should feel good about supporting.

Senator BLUNT. I may come back to this subject. I'm going to go ahead and go to Senator Murray here. But I may come back later and ask where you came up with this 8 percent of total earnings as a ceiling for what would be the right ratio to look at. But we can come back to that later.

Senator Murray.

Senator MURRAY. Mr. Chairman, thank you very much.

ACCESS TO EARLY LEARNING AND PRESCHOOL

Mr. Secretary, last week, the National Research Council released a report and recommendations for how to apply the science of development and early learning to building the workforce needed for high-quality programs serving young children. The report noted that its recommendations will require significant resources.

[The information follows:]

Link to National Research Council Report released April 1, 2015, referenced by Senator Murray: http://www.nap.edu/catalog/19401/transforming-the-workforce-for-children-birth-through-age-8-a.

Senator MURRAY. In the past few years, Congress has provided your department with funding, since fiscal year 2011, for Race to the Top Early Learning Challenge grants and preschool development grants. Washington State, my home State, has used Race to the Top funding to invest in its workforce.

How is your department working with the Department of Health and Human Services to administer these grants and address workforce issues that are outlined in that report?

Secretary DUNCAN. We were happy to help and participate in that report. The findings make a lot of logical sense, intuitive sense, to someone like you who knows this field intimately.

All of the applicants from all the States, both those we fund and those who we couldn't fund, all 36 applicants for grants, described in their grant applications their efforts to provide comparable salaries and strengthen the workforce, so we know how critically important this is.

So we fully support those findings. They move in the right direction. We think, candidly, that we were ahead of the study and encouraging these things, and States totally get it.

The real challenge, Senator Murray, that you talked about, and I feel so passionately, is that we simply don't have the resources to get behind people who know the right thing to do. They just don't have the dollars to do that.

There is so much unmet need, waiting lists of thousands and thousands of children in virtually every State I visit.

This has become a total bipartisan issue in the real world. We actually have more Republican Governors than Democratic investing today. I think that is a really good thing. We just have to get past the dysfunction here in Washington and look at what is happening out there.

New Mexico, Nevada, the new Governor of Texas, who is a strong conservative, said his most important item is getting more resources for early childhood education. Alabama, Georgia.

One of my most heartbreaking calls, you are obviously very unhappy, which I respect, we couldn't fund Washington.

One of my toughest calls was with the Governor of Mississippi, who desperately wanted resources. And as much need as there is across the State, we know how bad the need is in Mississippi, how the great the need is. We simply didn't have the dollars to fund it.

I just really would love folks here in Washington to come together, look at the bipartisan agreement in States across the Nation, and figure out how we can get children off these waiting lists and get them into kindergarten to prepare to be successful, not have them start school a year to 16 months behind. That serves nobody well.

Senator MURRAY. And it is worrisome for our competitive global workforce in the future, because other countries are investing.

Secretary DUNCAN. My number won't be exact, but we look at other industrialized nations in terms of providing access, the United States ranks something like 26th or 29th. It is no badge of honor. It is just that a vast majority of these industrialized countries understand how important this is, and they have provided greater access.

We are trying to lead the world in everything, lead the world in college graduation rates, lead the world in high school graduation rates. We should think about leading the world in access to high-quality early learning.

We know the brain science. We know the research. We know the return on investment. And the fact that so many countries have invested significantly more and provided greater access than we have, we should be ashamed of ourselves. I can't put it in another way.

We should be ashamed of ourselves, and we should want to do better for our kids and for our Nation's economic competitiveness, as you said.

Senator MURRAY. Thank you.

<div align="center">TITLE I FUNDING</div>

Mr. Secretary, as you know, achievement gaps between our low-income students and all students continue to exist. It is about 11 percent in both reading and math. The Title I grants to local Education agencies, the LEAs program, was created to help eliminate those gaps.

Your budget proposal would increase funding for the program by about $1 billion, fully replacing the cuts that were imposed by sequestration in recent budget battles.

Can you talk a little bit about what has been the impact of the reductions to Title I funding that have been made since 2010?

Secretary DUNCAN. There are two things and both have happened at the same time, and neither is good. One is the reduction in very real resources for our poorer children. And two is that we have an increase across the Nation of children who are eligible for these resources.

So greater need, less resources.

And I'm convinced, as are you, as I assume virtually everyone on this committee is, that the best way for us to end cycles of poverty and move children and families out of poverty, is to give them a great education, give them a world-class education.

If we do that, they have a world of opportunity, and they can enter the middle class. If we exacerbate or perpetuate those gaps, we are part of the problem. So we need those resources, whether it's access to better afterschool programs, whether it's access to AP classes, whether it's access to the best teachers. Whatever it might be, our children, particularly our poorest children, don't just need this, they deserve this.

So when we have less resources to help more children who are poor, and if our goal is to reduce income inequality and to increase social mobility, the best way we can do that—in fact, I would say, by far the best way we can do that is by providing a high-quality education to every child.

You mentioned achievement gaps. Our achievement gaps are insidious. I'm very pleased that on the high school graduation rates, we are closing those gaps. That is huge, but we have a long way to go.

But instead of talking about achievement gaps, I prefer to talk about opportunity gaps. As you know, far too many children, poor

children who live in disadvantaged communities, do not have the opportunities that their wealthier counterparts do.

So the children of the wealthy often get more. The children of the poor often get less. That is unfair. That is un-American. This is a step to try to rectify that problem.

Senator MURRAY. Okay, thank you very much.

Thank you, Mr. Chairman.

Senator BLUNT. Senator Cochran.

Senator COCHRAN. Thank you, Mr. Chairman.

Welcome to our committee hearing, and we want to thank you for your hard work and your efforts to help make sure that our Federal response to needs in education around the country are met. At the same time, though, recognize too that we have very limited availability of funds and programs that will solve all the problems in elementary and secondary education, for example.

STATE AND LOCAL CONTROL

The States and local governments have the primary responsibility of funding, the hiring of teachers, and all the rest that goes into making our Nation a nation of opportunity for good education.

I think working out a division of responsibility for what programs are best handled by the local officeholders and people who are responsible for operating our schools and colleges, that we not encroach too much on the incentives that we have that are created at the local level to benefit special needs.

I know Title I of the Elementary and Secondary Education Act comes to mind, where teachers are recruited, you have money there that goes to local governments to help encourage people to go into education and help upgrade the quality of our students.

What is your assessment during your time as Secretary about the importance of our funding programs of that kind?

Secretary DUNCAN. First, Senator, I just want to publicly apologize to you and your State, as I did with Senator Murray privately. That was one of the hardest series of calls I had, those with your Governor, who knows how far behind so many children in your State start, who desperately wanted our resources. We simply couldn't fund down the preschool development grants slate far enough. We simply ran out of money.

As a Nation, we have a long way to go. By virtually every measure, Mississippi, sadly, on educational achievements, is near the bottom. So there is no place, arguably, with greater need than your State.

So I just want you to know how badly I felt about that and feel about that and hope, going forward, we can do more to help.

FUNDING FOR EDUCATION

Where we have resources to help close, again, not just achievement gaps, but what I call opportunity gaps, that is critically important. And when we see high school graduation rates at all-time highs; when we see Black and Latino high school dropout rates cut by about half and 45 percent, respectively; when you see every group of children graduating from high school at higher rates, Black children, Latino children, English language learners, students with disabilities, poor children, that is fantastic progress.

I'm just so thankful for the hard work that teachers and educators and parents and, ultimately, students are doing around the Nation.

The issue for me is how do we get better faster? Our dropout rate is still too high. Our graduation rate is not high enough. And we need these resources to give young people a chance to be successful in life.

Senator COCHRAN. Well, if we find a way to add money for some of these programs that have proven to be so beneficial, you wouldn't recommend to the President that he veto the bill, would you?

Secretary DUNCAN. If we can find some more resources to support what is working, that is very, very important.

Senator COCHRAN. Okay.

Thank you, Mr. Chairman.

Secretary DUNCAN. If I could just quickly add—sorry, not to go on too long. We need to invest in those programs like Title I, like IDEA. But we also need to invest in innovation. Again, there is so much great local work going on where people are starting to get outsized, extraordinary results for young people who historically struggled, whether it's in rural Tennessee or in Appalachia in Ohio, where graduation rates are now higher than the State.

What we don't do in education is take to scale what is working. So we should invest in those core programs. But I would also say we need to invest in innovation and just help great local educators scale up what is making a difference in their communities.

There is amazing work going on out there. We just don't capture those benefits enough. I think that is a very appropriate Federal role, and it, candidly, doesn't happen at the State and local level.

Again, we have so many more applications. With dollars available, we can do better together there.

Senator BLUNT. Thank you, Senator Cochran.

Senator Mikulski.

Senator MIKULSKI. Mr. Chairman, thank you.

First of all, Mr. Secretary, thank you for your service, the fact that your tenure has been long in the Obama administration shows that you really have a real commitment to education and really now, over the span of your tenure, really seen what works and what doesn't. So we really want to thank you for your advocacy and your steadfastness.

I want to associate my remarks with the Senator from Washington, Senator Murray. In order to meet our needs, we have to focus on lifting the caps. There are no two ways about it.

I know there are colleagues who want to lift the defense caps, and I don't argue that in this committee or even on the floor. But I think we have to look at raising the caps in the domestic programs. And they are intertwined.

IMPACT AID, IDEA, AND JAVITS GIFTED AND TALENTED

So let me tell you how I see it: one county, two people, three programs. One county, Anne Arundel County, Maryland, the home of the State capital, the home of the United States Naval Academy, the home of Fort Meade, the National Security Agency, and other

intel agencies. Three programs—Impact Aid, IDEA, the Javits Gifted and Talented. Two people, they have names like Rosa and Jack.

Rosa was a child who was stigmatized and bullied in school because she has Down syndrome. And the word "retarded" had become a bullying invitation.

Working on a bipartisan basis with Senator Enzi, we passed Rosa's law—he had the same challenge in his own State—to remove the stigma. Rosa is in this county.

Then there is Jack Andraka. He is one of the 1 percent, not the 1 percent that makes zillions of dollars, but the 1 percent who is a genius. Jack is a genius. In high school, he has invented a test for pancreatic cancer.

But if you talk to his mother, a nurse, she had to forage to fund the programs to help Jack. And then he goes on to win the Intel scholarship and invent this stunning, stunning, stunning discovery.

So what is it? You talk then to the Republican County Executive. He didn't even know about Impact Aid. Then I tell him he's a compassionate post because the Army at Fort Meade so loves the educational program and the linkage to Kennedy Krieger. IDEA, and it's underfunded.

Then the Javits program, they laugh about it because it's so small, so skimpy, so spartan.

So my point is, while we look at innovation, and aren't we cool, and we're doing brave new ideas, and we're going to scale up and follow the hoop dreams, I'm worried about these bread-and-butter programs.

So I associate myself with Impact Aid. If we are going to support the troops, let's support where the troops live. We are proud of those troops. We love them there. Quite frankly, they are good for economy. And we sure are proud of them.

IDEA is continually underfunded. That is a bread-and-butter program in every State.

And then that takes me to the Javits program, the program for the gifted and talented. I have kept that program alive.

Tell me what your plans are. We know what we can do on Impact Aid. I think there is a commitment for IDEA.

But do you even know what I'm talking about? That isn't an argumentative question. It is not meant to be argumentative. But that is my point.

These children are a national resource. I'm not talking about the 1 percent genius. I'm talking, in our schools, there is a presumption that only rich kids are smart. You and I don't believe that.

Where are we on the Javits program? And what is the Department of Education's commitment on that? What have you identified, if any, the need for that? And why did you cut it? Of any program that could be picked on, you took it from $10 million to $9 million for the whole country. We could use that in just the Delmarva Peninsula.

STATUS OF JAVITS GIFTED AND TALENTED

Secretary DUNCAN. I will start and turn it over to Tom Skelly, our budget director, to walk that through.

First, I just want to thank you for your service. My service pales in comparison to what you have done, in terms of longevity and im-

pact. So thank you for everything you have done. It has been a joy working with you. I know we have a little bit more time together, but I just wanted to say that publicly.

On all these things, again, and I hate that so often, because of the dysfunction in Washington, we have to make these choices between whether it's the bread-and-butter programs you talk about or doing more innovative stuff or doing more preschool. We should be doing all of the above and hold ourselves accountable for results. If we are not getting results, we should scale back.

But in all these things, it shouldn't be either/or. We shouldn't be forced to choose. Too often, with things like sequester caps, that is the position we are put in.

So whether it's Javits Gifted and Talented, whether it's——

Senator MIKULSKI. Javits. Javits.

Secretary DUNCAN. Javits. Whether it's IDEA, whether it's Title I, we should be supporting and building upon these programs. We should also be doing more early childhood.

Senator MIKULSKI. Tell me what you are doing for Gifted and Talented.

CUTS TO SMALLER PROGRAMS

Mr. SKELLY. The Javits program itself is one of the smaller programs that did get eliminated over the last few years. We had almost $8 million in it.

Again, the priority has been for larger programs, like the $1 billion in Impact Aid or the $12 billion in IDEA. Some of the smaller programs over time have been cut back.

Again, as Secretary——

Senator MIKULSKI. I know they have been cut back. You told me what I already know. Tell me what you do to help these children in the Department of Education. And what is that identification of need? Or do you even know?

Mr. SKELLY. I think that the approach is to take all children and look at them, provide the support for the general programs, look at things that are innovative, but Congress has made decisions in the past. These weren't things necessarily proposed by the administration.

Fifty-three programs have been eliminated since 2010. They tend to be smaller programs. When Congress goes through the ESEA reauthorization process, you can affirm that that is the kind of program that should be continued and Congress can put money into it in appropriations.

Senator MIKULSKI. Do you know what you do at the Department of Education to help these kids? Do you even think about them?

Secretary DUNCAN. We think about every child every single day.

Senator MIKULSKI. I don't want to hear about how you think about every child. We all think about every child. I'm asking about this population.

Every child is special. I understand that.

Secretary DUNCAN. We do the best we can to help provide a world-class education to every single child.

Senator MIKULSKI. Do you have a focus in any department to implement this and think about the talent pool we have to identify them and help the teachers know how to best develop them?

Secretary DUNCAN. To be clear, when students are gifted and talented, we don't identify. That is done at the local level.

Senator MIKULSKI. This proves my point. It is a waste of national resources.

Senator BLUNT. Thank you, Senator Mikulski.

We have the opportunity here to have both the ranking member and the chairman of the full committee, and the ranking member and the chairman of the authorizing committee, so that gives us a lot of strength on this committee.

And Senator Alexander is the chairman of the authorizing committee and an important member of this one.

Senator ALEXANDER. Thank you, Senator Blunt.

Mr. Secretary, welcome. Thanks for your nice comments about Senator Murray and our work on fixing No Child Left Behind.

I think Senator Murray must have been a good preschool teacher, because in preschool, you learn to work well together, and she understands that. Whether it's working on the budget or working on No Child Left Behind, which is a tough nut to crack, she has been good to work with and we have made a lot of progress.

Let me throw the compliment back. Sometimes the President doesn't get much credit for working well with Congress. I want to thank you and President Obama for your public comments and the private way you have worked with us in creating an environment where we have a better chance to succeed on No Child Left Behind.

We have some strong opinions on this. Everybody does. But you have been very constructive and very helpful. So has the President. I thank you for that.

REAUTHORIZATION OF HIGHER EDUCATION ACT

I would like to talk about higher education, and I will just ask a single question and let you make an answer.

Not long ago, Senator Mikulski, I, Senator Burr, and Senator Bennet asked a distinguished group of higher education officials headed by the chancellors of the University of Maryland and Vanderbilt University to look at higher education and give us a report about how we can simplify Federal rules and regulations.

They gave us 59 specific recommendations. It's a very good report. It is not a sermon. It is specific things we can do. You and I have talked about it a number of times.

They put them in order. They even told us what the top 10 were. And Senator Mikulski and I and Bennet and Burr are going to take as many of those as we can and put those into legislation and try to make it a part of our reauthorizing of the Higher Education Act.

But here's where I'm getting: Twelve of the 59 were things that the department by itself could fix. Three of the top 10 were things that the department by itself could fix.

Now these aren't things that Secretary Duncan and President Obama by themselves did. I mean, Secretary Alexander and President Bush did some of them. I mean, this is going all the way back to 1965.

But what they found was that, for example, Vanderbilt University hired the Boston Consulting Group to tell it how much it cost Vanderbilt, its non-hospital part of Vanderbilt, how much Federal

regulations cost Vanderbilt to operate in 1 year, and it was $150 million.

That is $11,000 on every student's tuition. It's 11 percent of all their money. That is what the whole commission said is a jungle of red tape.

The National Academy of Sciences has said that an administrator's time on investigations is 42 percent administrative time. That is billions of more dollars of wasted money. Now most of that is not Department of Education. Those are other departments in the government.

But this is a widely recognized problem that we have that we have all contributed to, including us in Congress and those of us who have been in government.

So here's my question. An example, let me just give an example. For example, when students withdraw from college, a portion of their Title IV funds has to be returned to the Federal Government. Regulatory text for figuring out what that is is over 200 pages in a handbook. That is one of the number one objections they have. That could be easily fixed.

With financial responsibility standards, there is a requirement for audited financial statements for private, nonprofit, and for-profit colleges that causes them to go get expensive letters of credit, according to this report. These requirements by the department don't follow accepted accounting principles.

Another one is that when the Federal Application for Federal Student Aid (FAFSA), the application for a Federal grant or loan, which is 108 questions, is applied, there is a verification process, very time-consuming.

Senator Bennet and I recommended cutting these 108 questions to two. President Obama in his budget has endorsed this idea and said he has found 30 or 40 questions. You and I working together might find some more.

If we simplify this form, if we move—which would require legislation—the data to the junior year in high school instead of the senior year, these are all very common-sense, non-ideological issues.

So my question is, would you be willing to sit down with Chancellor Kirwan and Chancellor Zeppos, who led this study, and listen to them and their recommendations about what you and the department could do to implement the dozen of the 59 that the department by itself could do? And would you be willing to work with Senator Mikulski and me and Bennet and Burr and Senator Murray to try to implement this simplification of what the report called a jungle of red tape?

Secretary DUNCAN. Absolutely. We think there is really good stuff in the report. Our staff has actually looked at it pretty closely. We have not met with them yet, so if you want to help facilitate that, that would be fantastic.

But whatever we can do here to remove red tape, to stop wasting time, to stop wasting dollars, we should absolutely do.

There are a couple of recommendations that our staff has already looked at that we think we can move on potentially pretty quickly. So we are starting internally to get behind this.

And in a bigger picture, if we can get to a good spot on ESEA, getting to a good spot on HEA reauthorization will be like a walk in the park, in relative terms. So there is a lot of fertile ground here going forward.

Senator ALEXANDER. Well, Senator Murray and I are ready for a walk in the park after No Child Left Behind.

No, seriously, we look forward to that. Thank you very much.

Thank you, Mr. Chairman.

Senator BLUNT. Thank you.

Senator Schatz.

Senator SCHATZ. Thank you, Mr. Chairman.

Thank you, Secretary.

ON TIME COLLEGE COMPLETION

I wanted to talk again about college education, making it more affordable. I want to talk specifically about finishing on time for full-time undergraduates. I know the University of Hawaii has worked very hard with their P–20 initiative and with the department to try to enable kids to finish.

It is not just the annual cost of college, but it's how quickly, as a practical matter, kids are able to finish. Some of that has to do with the counseling they get in their freshmen year. Some of that has to do with availability of the courses they need.

But I would like you to talk about that because we tend to focus on the interest rate in the Congress, and we tend to focus on the Pell Grant level. And then sometimes we talk about the retail price, but none of that matters, if it takes you 5 or 6 years to finish.

Secretary DUNCAN. First of all, Senator, I just want to say, we have seen a huge amount of innovation and great work coming out of Hawaii. You should be so proud. That was a State where we invested early on in Race to the Top. Lots of folks thought that was a huge mistake on our part. Candidly, I had my own concerns and trepidation.

It has been amazing to see on both the K–12 side and early childhood, as well as the higher education side, what your State is doing. So I just want to thank folks for their courage in really challenging orthodoxies and doing things differently in some pretty profound ways, getting much better results than many places and improving faster than many other States. So again, we just love what we are seeing there.

FIRST IN THE WORLD

So obviously, whatever we can do to reduce the time it takes to obtain a degree, that is the whole point of the First in the World competition, looking at competency-based, looking at better support, as you said.

There is so much good work going on around the Nation where we can invest, as I said before, where we can scale up what is working. We think that is a hugely important role to play. Whether it's a first-time full-time student or whether it's a 29-year-old single mom with two children trying to go back to school to climb the economic ladder, whatever we can do to get more people into college,

but, more importantly, get them that degree at the back end and get them in position to get a better paying job, we have to do that.

That is why we think programs like First in the World are so critically important. Again, there was so much greater demand in the 2014 competition than there were dollars available. We would like to be investing in many more institutions of higher education that are taking very seriously their role, not just to enroll students but to help them graduate and graduate as swiftly as possible.

COLLEGE ACCREDITATION

Senator SCHATZ. I appreciate your work in the area of coming down on some of the bad actors among the online degree granting institutions. But I'm wondering whether we can come at some of those challenges from the accreditation side, because as the chairman of the subcommittee mentioned, they get their accreditation and then we move on and try to clean up after it's all done.

I'm wondering whether you have the authority under the statute to kind of come after some of these bad actors with minuscule graduation rates, awful outcomes on pretty much every level. I guess I'm wondering why they are accredited in the first place.

Secretary DUNCAN. I think that is a fair question. In some of these situations, the accreditation process, we are looking at very, very closely to see what we can do to challenge folks and to raise the bar.

So I'm happy to continue the conversation off-line with you and your staff. But we have a team that is looking at that piece of the higher education puzzle very, very intently.

NATIVE LANGUAGE EDUCATION

Senator SCHATZ. Thank you. And in Hawaii, we are doing some pretty innovative work among native Hawaiian educators. And students and families have played a really critical role in advancing the native language education. But, as you know, unfortunately, mainstream English-based standards, assessments, and teacher training requirements often undermine efforts of native communities to use their languages in schooling.

I'm wondering what you can do at the department to better support access to and fair assessment of education through the medium of native languages.

Secretary DUNCAN. So as I'm sure you know, we recently granted a waiver request to your Hawaii Department of Education to pilot the development and administration of new assessments in native languages.

Again, what is happening there has relevancy in many other States around the Nation. So we really appreciate the leadership and thoughtfulness there.

Please challenge us and hold us accountable for being a good partner, and we will see what develops there. We know that what develops there has implications in many other places, so we are very interested and supportive of that work.

Senator SCHATZ. Thank you.

Thank you, Mr. Chairman.

Senator BLUNT. Thank you, Senator Schatz.

Senator Cassidy.

Senator CASSIDY. Mr. Secretary, thank you for the call yesterday. As I mentioned, my interest is dyslexia.

PROGRAMS FOR DYSLEXIA

What specific programs does the department fund for dyslexia?

Secretary DUNCAN. I don't think we have a specific program for dyslexia. Children with dyslexia have special education needs that fall under the IDEA bucket where we have pretty significant resources.

Senator CASSIDY. If I can interrupt just for a second?

Secretary DUNCAN. Absolutely.

Senator CASSIDY. So dyslexia is 80 percent of learning disabilities, and maybe at least 50 percent or maybe more of those who cannot read. This is all epidemiological data, peer-reviewed, et cetera.

So it strikes me if it is 80 percent of those with learning disabilities, 20 percent of the general population, why in the heck don't you have a special program for dyslexia? Do you follow what I'm saying?

Secretary DUNCAN. It is a fair question. Again, that is something for Congress to think about.

Senator CASSIDY. So you are suggesting Congress should give a special emphasis?

Secretary DUNCAN. I'm not suggesting. I'm just saying Congress can look at this. There are many children with special needs, and we are trying to ask for more resources. Obviously, a significant portion of those resources go to help children with dyslexia.

Senator CASSIDY. Do you have any sense of the quality of programs currently in schools addressing the needs of dyslexics?

Secretary DUNCAN. I think it would be varied and mixed. I think there are some schools, some communities, and some districts that do an extraordinary job of early identification and support.

Senator CASSIDY. Now, granted, there is always going to be a spectrum.

Secretary DUNCAN. Yes.

Senator CASSIDY. But do we have a sense of where the mean is? If not the mean, the median?

Secretary DUNCAN. Yes, I would say much better than 10 or 15 years ago. There is heightened awareness.

Senator CASSIDY. That is a low bar, man.

Secretary DUNCAN. That may be true. Is there more that we can and should be doing? Absolutely.

Senator CASSIDY. So in your dream of dreams, what would be done to actually improve the screening and intervention for those with dyslexia? If you tell me that currently there is no single office looking at it, there is no—Senator Mikulski speaks about the 1 percent. I'm speaking about the 20 percent. And she is speaking about those who might succeed no matter what we do or don't do. I'm speaking about the 20 percent that will not succeed, quite likely, unless we do something.

Now I just have a sense that this has been kind of "may happen, may not." But there has not really been that sort of supervision to make sure, not like you are doing for the for-profit colleges, for example. You know there is a problem and you are going to go in and

look at it. Here I have a sense it's more along, well, maybe it happens, maybe it doesn't.

Secretary DUNCAN. No, I think our Office of Special Education Programs is doing really good work there. Again, it's a fair critique. Do we have enough resources put behind children, whether they have special needs or whether they are extraordinarily gifted? I think it's a very fair critique that we are not investing enough in either population.

For us to invest more, we clearly need your help and support.

SCREENING AND EDUCATOR TRAINING IN DISABILITIES

Senator CASSIDY. Now that said, I would argue it's a little bit more than investment because I do think that there is a lack of awareness. I have read about RTI and I read about others that think we should screen differently. Those that criticize and praise RTI, both say that there must be a general faculty understanding of what dyslexia is or otherwise the child gets to the fourth grade and cannot read and, at that point, intervention is less profitable.

So is there any sense that there is a general faculty understanding in more than a small fraction of schools?

Secretary DUNCAN. So these are complicated issues. I don't want to blow through them. They are really important issues.

We have about 1,400 schools of education, and so if you wanted to have a general or universal faculty understanding, once they enter the classroom, I would argue that is a little bit late in the game. That general understanding should happen well before that.

I think to really get to the root of that, the honest question would be, what are our schools of education doing in this space?

Senator CASSIDY. I got that. But, of course, on the other hand, if we just say wait until those who are currently in school become aware of the issue, then we are really speaking about 30 years from now before we replace all those who are currently active and then no longer would be.

So I just say that as kind of, oh my gosh, we need a cohort, and not just a current cohort, we need all cohorts to be engaged.

But I think it also kind of answers my question, because I really have a sense that most educators are not aware of this and have not received training dollars to be made aware of it. So if it takes a general faculty engagement, it is like we have met the enemy and it is us.

PROFESSIONAL DEVELOPMENT

Secretary DUNCAN. We invest in professional development and we would like to invest more. I also argue publicly at many places that the money we put behind current teacher professional development, not future teachers, is often poorly spent and not spent on things that teachers are really looking for.

Senator CASSIDY. It seems like it's reasonable that Congress would give some direction, if we see a need that is addressing 20 percent of the population and probably at least 50 percent to 60 percent of those who read below grade level, that we would give specific direction that it shouldn't just be an amorphous, "Here's a pot of money. Spend it as you wish." But, "We have a specific na-

tional need. Please address,'' much like conquering HIV or going to the moon. I don't know your thoughts on that.

Secretary DUNCAN. There are many children with special needs. Many children facing real challenges. For me, it's not about picking out this population or that population. It is how you give every single one of those children——

Senator CASSIDY. I accept that, but in times of limited resources, one has to be somewhat directed.

So if you have one that is 80 percent of the LD community, it seems more likely you would focus.

Secretary DUNCAN. So many of your colleagues are looking for us to be less directed. I just want to be clear about that.

Senator CASSIDY. Okay, I yield back. Thank you.

Senator BLUNT. Senator Baldwin.

Senator BALDWIN. Thank you, Mr. Chairman.

Mr. Secretary, thank you for your leadership in putting forth a budget that supports investments in the learning continuum from early childhood to career.

I want to start by focusing in on one stage in that continuum, and that is high school, while acknowledging that every stage of that education continuum is vitally important.

HIGH SCHOOL REDESIGN

Your fiscal 2016 budget calls for a $125 million investment in our high schools to ensure that these schools can redesign to meet student's needs. I'm concerned that too many high schools are failing to help their students make it even to graduation. Even those who do graduate may not be armed with the skills they need to enter post-secondary education, training, or the workforce.

For example, in my State of Wisconsin, there are 13 high schools that fail to graduate a third of their students.

Earlier this year, I introduced the Next Generation High Schools Act to allow high schools to redesign and innovate to better meet student needs and increase rigor in coursework, particularly in the workforce critical areas of science, technology, engineering, and mathematics, the STEM fields, and career and technical education.

So, Mr. Secretary, can you speak to the need to focus on and invest in our high schools, specifically, and the necessity to have a dedicated program like the bill I described, the Next Generation of High Schools act that supports students and prevents dropouts?

Secretary DUNCAN. I just really want to thank you for your leadership and passion on this. And let me take a step back.

When you have high schools, whether they are in Wisconsin or anywhere in the Nation, to say the reverse of what you said, where two-thirds of students do not graduate, those are dropout factories. We have to take that problem on. We have to challenge the status quo. We have to do some things very, very differently.

I have visited many high schools that a couple years ago were dropout factories and have now turned around, have transformed. None of them are perfect yet. This is an ongoing process, but we have seen remarkable changes.

I met with a young man here last week who was from a high school in Miami that was historically a dropout factory, and they have totally changed the culture there now, in 2 or 3 short years.

So same children, same families, same building, same socio-economic challenges, same neighborhood, but radically different results. So I would like to follow up with you very directly. The outcomes of those 13 high schools are unacceptable. We need to look at that very, very significantly.

We have put resources, as you know, behind school improvement grants. We have seen many schools turn around, but clearly we have a ways to go.

And to state the obvious, when young people drop out of high school today, there are no good jobs, none in the legal economy for them. So we just can't passively stay on the sidelines. So your leadership is so important.

Many young people drop out of high school, not because it's too hard, but because it's too easy, and they're bored. They don't see the relevance.

So the more we are redesigning high schools and helping young people understand what to learn in class, what the tie is in the real world and to real jobs, when they are engaged, when they are excited about coming to school, you see those dropout rates go down pretty precipitously. We have seen this in many, many high schools around the Nation.

So while, again, I'm so proud that high school graduation rates are at all-time highs and dropout rates are down, our dropout rate is still unacceptably high for the Nation. When you have high schools like that, it's untenable for us to stand on the sideline and just see that continue to happen.

So no easy answers, but we should look very carefully at those 13 schools and what is going on in the community and what is going on in the feeder schools. We have to do something better.

And your leadership on these issues to redesign high schools, to get many more resources there, and have the work there be more relevant to the real world, it's absolutely the right thing to do.

Senator BALDWIN. I definitely am going to take you up on continuing to work together to advance these proposals and see them reflected across the country.

AMERICA'S COLLEGE PROMISE

I have just a couple seconds left, actually, so I know we are not going to get into this fully. But I wanted to hear a little bit more about the community college program.

I actually offered an amendment during our budget resolution markup to put this into action. But right now, and perhaps in follow-up to this hearing, I want to hear more about the department's vision for the America's College Promise, how it will ultimately save student and taxpayer dollars, and sort of how you envision this proposal supporting the vital contribution also of technical colleges and tribal colleges?

Secretary DUNCAN. I know we are over time. I will try to be very quick.

Is that okay, Mr. Chairman, if I answer?

Senator BLUNT. Go ahead and do a quick answer there. There will be a second round.

And the 11 o'clock vote has now been eliminated, so there will be no 11 o'clock vote.

Secretary DUNCAN. Do you want me to wait?

Senator BLUNT. We will have a second round. Just in case Senator Baldwin has to leave, go ahead.

Secretary DUNCAN. Yes, sir. Just very, very quickly.

I'm just a huge fan, as is the President, of our Nation's community colleges. I have been to dozens of the most inspiring visits where you see 18-year-olds, 38-year-olds, and 58-year-olds all retraining and retooling.

They are like baby United Nations. You have people from all over the world coming to learn and to get better.

Green energy jobs and IT jobs, advanced manufacturing, and healthcare, this is the path, the route to upper mobility, to the middle class, and to the jobs of tomorrow, not the jobs of yesterday.

So the idea of making these community colleges free and giving, whether it's young people or middle-aged people, the chance to get the skills they need to be productive citizens to support their families, we think makes all the sense in the world.

We would simply partner with States that are doing more. Again, this isn't the President's idea or my idea. This is really coming from Senator Alexander, from Tennessee, that has done this at scale. And while it's very early, the outpouring of interest has stunned them. It's far beyond what they anticipated.

This is absolutely an investment, not an expense. Tribal colleges and universities would be a part of this. Tribal colleges do an amazing job, as you know, on shoestring budgets.

So whatever we can do to strengthen community colleges, provide more people access. I think too many folks in rooms like this don't understand is that often, while, relatively speaking, they are cheaper today, just the cost of childcare or transportation or gas or buying books can literally stop somebody from taking that step.

We just want to eliminate those financial barriers and give hardworking folks a chance to get the skills they need to climb the economic ladder.

Senator BLUNT. Senator Lankford.

Senator LANKFORD. Secretary Duncan, thank you. I have quite a few questions. Let me just try to go through several of them.

One is, you and I have spoken before about the waiver and the issue with No Child Left Behind. It is the importance to replace No Child Left Behind, because my State of Oklahoma has obviously dealt with this extensively with your department, but every State has had to deal with the waiver process.

I appreciate your cooperation in trying to get a complete replacement of this so you do not have to deal with the constant waiver battles back and forth.

I also appreciate some of the comments that Senator Alexander made about the FAFSA. For any person who has a junior or senior in high school, and they get that form, the very first question is, why are they asking all these questions? What does it matter? And why is the Federal Government collecting this amount of information on my particular student?

Any work that can be done to simplify that form I think is extremely important, for multiple reasons. But if we discourage people from engaging in that process by the sheer length of the form, we are doing them a great disservice. So I would encourage that.

I do want to spend a little more time on what Senator Blunt was talking about with the college rating system, and I wanted to dig into that a little bit as well.

In your budget, is there a detail of the cost to develop, implement, and sustain the college rating program that is currently going through right now, including some sort of estimate of legal costs? Obviously, this is going to be challenged tremendously, and I would assume your department is aware of that.

Is there an estimate in your budget somewhere that I'm missing of the cost of developing and sustaining this ratings program?

FAFSA SIMPLIFICATIONS

Secretary DUNCAN. So let me back up quickly on the FAFSA. I couldn't agree more. I would just say, we reduced about a third of the questions early on in the administration. Clearly, we have more work to do. We feel really proud about that. We have average completion times down to under a half hour. So we have made some progress, but have a long way to go. Again, we look forward to partnering with you.

Senator LANKFORD. Yes, completion time vs. gathering all the forms required to actually do the completion is a different thing, because there is quite a bit they have to be able to gather to pull that together.

But that's a different issue.

Secretary DUNCAN. No, we have some work to do and look forward to doing it with you.

To your point, just to state the obvious, completing that form unlocks $150 billion in grants and loans each year. If you don't fill that form out, you're locked out, so that cannot be a barrier.

And you are exactly right. In too many places, it still is a barrier, an impediment to those resources. So we have to do that.

COLLEGE RATING SYSTEM

Again, just to repeat, on the college rating system, we are still developing this. I'm happy to sit down with the chairman.

Senator LANKFORD. Is that something in the budget currently? Is there a section there? Can you tell us——

Secretary DUNCAN. There is not a huge section. This is not a high-cost item. This is us sort of thinking it through. I'm much less worried about it than you are. We can talk through the concerns or whatever.

This would be a modest effort to try to get more information and more transparency.

Senator LANKFORD. Is there a spot that you are all looking at and saying here's where the statutory authority comes from to do it, based on either previous budget statements coming from this committee saying, hey, we are going to allocate some funds and time and full-time equivalents (FTEs) to be able to help prepare a rating system? Or from the previous 1979 document saying this is within the purview of the Department of Education to be able to do it?

Secretary DUNCAN. I think the appropriate role for the Federal Government or State government or local government should be

around transparency, and I think this is a massive play around transparency.

Senator LANKFORD. Sure, which has traditionally been the State responsibility that oversees the State colleges or private entities.

Secretary DUNCAN. Again, this isn't overseeing. And as you know, people aren't just picking colleges in their State or their locality. This is national.

And if we can get more information, again, I can't tell you how many conversations I have had with young people and their parents where they just don't have good information.

Senator LANKFORD. I understand that. I have high school age kids myself as well.

Secretary DUNCAN. So you are living this.

Senator LANKFORD. I am, and so I'm very aware of that.

I would just ask that you would submit to the committee any kind of budget work that has already been done to try to build towards this, the dollars, FTEs, that you have set aside to start researching and preparing this rating system. Obviously, you have spent some time going through it.

And any estimates that you have, as you start to guess out the cost of some of the litigation in the future, that would help us in the decisionmaking process in the days ahead, as we start allocating funds.

ESEA FUNDING FOR SCHOOLS SERVING SPECIFIC POPULATIONS

I need to shift subjects to you as well. As we are talking about a replacement for No Child Left Behind, which again I completely encourage and I'm glad to participate in that process, one of the areas that has come up in No Child Left Behind is that children in homeless families have to be mainstreamed into schools. If they are segregated, they are not eligible for any Federal funding in that school.

So a school like Positive Tomorrows in Oklahoma that targets helping homeless kids that have a very difficult time engaging in mainstream schools, public schools, because of their spotty attendance and everything else, have no access to those funds.

Is that something that we can work together to try to resolve, so that we have an ability for homeless children, that specific population, so at least schools that are targeted to reaching them are not excluded?

Secretary DUNCAN. It is a great question. I'm not familiar with that school in your State, so I'd like to learn more. There is a school in San Diego, San Diego County, that I am more aware of that seems to have done some pretty remarkable work.

It's a complicated issue. You never want to stigmatize kids. You never want to separate them. But there are tremendous additional challenges that some schools are doing a great job of helping to meet.

I would love to have a further conversation and learn more. I did not know about that school.

Senator LANKFORD. There is a tremendous asset to being able to help those students because there are some very unique environments there.

And if I could ask one more question just for the record as well, the loan servicing issue, there have been some changes on that. Now 25 percent of loan servicers will be not-for-profit, and it's capped at that amount.

I'd be interested in just getting some background on why the 25 percent number was capped for not-for-profits. Why not just have the open competition and allow those that are quality servicers? I know I'm out of time on that, but if I could get that submitted for the record, that would be helpful.

My hope is that it doesn't set the not-for-profits up for failure by capping the amount for loan servicing for the multiple companies that are doing it.

Secretary DUNCAN. Just very quickly, going forward, I think in September, we are looking at performance. Based upon performance, we will be doing reallocations.

Senator LANKFORD. Okay, thank you.

Senator BLUNT. Are you all clear on the question he asked about money being spent on this rating system? You are going to submit the information and response to that question? Money spent, money you anticipate spending?

Secretary DUNCAN. Yes, happy to provide it.

Senator LANKFORD. And FTEs.

Secretary DUNCAN. This is just part of what folks are doing so. There is no big budget. There is no big whatever. But I'm happy to——

Senator LANKFORD. I just assume, as you are thinking it through, you are committing some FTEs to it, as you're thinking it through. And you are also having a look out on what is going to be the court costs that are possible on this.

Again, we have to plan on funding. If that is going to be a funding issue in the days ahead, dealing with higher education and court costs, we need to know.

Senator BLUNT. Senator Capito.

Senator CAPITO. Thank you, Mr. Chairman.

Thank you, Mr. Secretary. It is nice to have you in front of the committee.

GAINFUL EMPLOYMENT

I want to follow-up on a question that the chair was talking about on the gainful employment regulation.

You mentioned, I think, the purpose of the gainful employment rule in terms of weeding out the bad actors for the for-profits. Understanding that that occurs and that is a lofty goal, but you mentioned that it wasn't just for the for-profits. So I want some clarification on that.

Are you saying that this goes to public institutions, liberal arts schools, community colleges? Are they subject to these kinds of metrics? Do they have to report these? And how do they compare out when you look at the for-profits that are doing it the right way, which we happen to have in our State?

Secretary DUNCAN. The gainful employment rule does apply to certificate and nondegree programs at public and private nonprofit institutions.

Senator CAPITO. So just taking that further, at a public institution, if you are getting a 4-year degree in social work and you have a certain amount of debt and obviously that is one of those entry-level jobs—unfortunately, because it's so important—that comes in rather low on the scale, those metrics, you are not getting that?

Secretary DUNCAN. No, again, it doesn't matter whether folks are going to high-income jobs or low-income jobs. We just want that debt to be manageable and for them to be in a better spot.

Senator CAPITO. Agreed.

Secretary DUNCAN. And in some places, that absolutely happens. In some places, the opposite happens.

And to be very clear, the vast majority of for-profits are getting 88, 89, 90 percent, sometimes even more of their revenues, from you and I, from taxpayers.

So there is this massive public subsidy. And if it's something leading to better outcomes, that is an honest conversation to have. But when it's leading to worse outcomes, we can't support that.

Again, if you look at the findings we put out on one of those institutions this week—and again they have a chance to reply. And if we are wrong, we'll say we're wrong.

But what we found was stunning and deeply, deeply disturbing, deeply troubling.

I just want folks on both sides of the aisle to be eyes-wide-open on this. To stick taxpayers with this and to leave disadvantaged folks in a worse position, that is not what any of us get up every single day to do, I don't think.

Senator CAPITO. I agree. I don't think I'm getting up every day to do that either.

ACTUAL COLLEGE COSTS

I am going to switch over to another question on student loans. This is something that really bothers me. I have run into numerous students, parents, and people in institutions in the financial aid offices who try to get the metrics of what it actually costs for whatever institution it is. Let's say it's $15,000, with the students eligible and can loan up to $25,000. You are looking at somebody who maybe might want to buy a car, a vacation, has extra needs, all these kinds of things separate from their educational costs. Then in the end, you hear about the very large amounts of student loans.

What can we do about that? Who can we empower to make sure that we are getting more reasonable decisions? That is just a very troubling statistic. I think it's pretty prevalent.

Secretary DUNCAN. It is an issue. Our staff have looked at it very closely. I'm happy to follow up with you off-line. But one thing we are trying to do is to empower those financial aid counselors at universities to provide very clear guidance.

Senator CAPITO. Right. We worked on the House on a transparency issue. I mean, I think that would help. But I just see that some of the sums, they are astronomical. But when you look at the actual cost as calculated——

Secretary DUNCAN. That is a piece of the puzzle. Again, these issues are much more complicated than that. There are other things at play.

But looking at this whole ball of wax where student debt is higher than we would like it to be, we need to think about all these pieces that can contribute to reducing that debt.

Senator CAPITO. Right. Right.

EARLY CHILDHOOD EDUCATION AND HEAD START PROGRAMS

Another question I had, which is different than that, is on early childhood. And I'm a believer in early childhood. Our State of West Virginia has pre-K. It's mandatory for each school to offer, but it's not mandatory for children to attend. But I think it has some pretty decent attendance.

You have said numerous times throughout our testimony, if we had the resources, we could do this. If we had the resources, we could do that.

Understanding that is an issue, you have Head Start sitting there an established program. I have been a supporter of Head Start even, though it has had some troubled issues. I'm very concerned, as we move more into pre-K, with Head Start here, having its issues and other issues an established government program has, political and otherwise, how are we going to make sure the resources are actually used efficiently, directed at the student and the family? And we are not going to end up fighting for the resource for the same child?

Secretary DUNCAN. We work in very, very close concert with Health and Human Services (HHS) and with Secretary Sebelius prior, Secretary Burwell now. So of all my worries, that is not on the list.

We have to think about a 0 to age 5 continuum. It starts with early home visiting and other things.

Head Start was focused more on 3-year-olds, and pre-K is focused more on the 4-year-olds. There are ways to do this and work together so we are not fighting over kids or resources, but making sure there is a continuum, a seamless continuum of opportunities birth through 5.

Senator CAPITO. Right. And then you have Head Start that has facilities in different areas, not necessarily in the school. They have their own buses.

And I'm not picking on that. I just want to make sure we are maximizing what we have.

Secretary DUNCAN. Yes. And to be very clear, what we would love to do is have this not developed by us here in Washington but at the local level. So we are agnostic on facilities, whether they are schools or whether they are Head Start facilities or whether they are nonprofits or YMCAs. There are lots of different places. When I ran Chicago Public Schools, we had pre-K in many different places.

So this would be developed at the local level. Just again, for me, what is the problem we are trying to solve? The problem we are trying to solve is far too many children and families who desperately want these opportunities do not have them today because they don't happen to be wealthy.

Senator CAPITO. And one of the reasons we don't want the resources to not reach them is because we are competing with HHS over here.

Secretary DUNCAN. That has been 0 percent of the discussion. We have worked in concert with them on everything. All the grants we've done around early childhood education we have jointly administered with HHS.

So I think, again, not that we do things perfectly, but I think we have, frankly, modeled an extraordinarily good partnership that didn't happen before.

So take that one off your worry list.

Senator CAPITO. Okay, I will take that off my worry list.

I am just going to fly one other comment that I think has to be on a list of concerns moving forward, because the way education is changing in every aspect, but particularly higher education, is all the online, the competition for online.

It has been really interesting for me to see the way it grows. And keeping an eye on accountability and other issues and competition I think of as a real challenge in the future. Thank you.

Senator BLUNT. Senator Shaheen.

Senator SHAHEEN. Thank you, Mr. Chairman.

And, Secretary Duncan, thank you for being here today and for your service.

COMPETITIVE GRANT FUNDING

I continue to hear concerns about the department's prioritization of competitive grant funding for programs.

As I'm sure you're aware, New Hampshire is a small State. It is relatively, if we look at all the States in the country, we have a good school system. We have average, relative, high-income levels.

On the other hand, we still have pockets, particularly in rural areas, where we have real poverty, real challenges with our schools. So can you talk about how we can ensure that States like New Hampshire that may not rank so well on the scale for competitive grants can still get help for programs that we need help on, particularly some of the support for reading, for elementary school, the Title I program, others, where we have real challenges because the formulas that we have often benefited from are not as robust as they used to be in terms of funding?

Secretary DUNCAN. It is important for this committee to know the facts. In the 2016 budget request, 92 percent of our resources are formula-based—the overwhelming majority, $.92 on every dollar. We are asking for 8 percent on the competitive side, but that is obviously the minority investment.

We don't see these things as in competition or conflict at all. We see them as absolutely complementary. We have seen in virtually every place where we have done competitive work, whether it's on turning around underperforming schools, whether it's the Investing in Innovation fund, or Promise Neighborhoods, we have seen significant rural participation.

Just one quick example, New Hampshire, your State, has done some amazing work on thinking about assessments in a very different way.

Senator SHAHEEN. They have done very well.

Secretary DUNCAN. You guys are leading the Nation, and we are partnering very closely. Again, maybe a small State, but there some real assets, there are some real strengths to that.

What you guys have done, frankly, might be impossible in a larger State. So there are huge assets and different strengths and weaknesses in different sized States.

So please hold us accountable for being a good partner there. But we have worked very, very hard. And the work that your State is doing I think is very important not just for the children and educators in New Hampshire.

If it goes well—that is a big if; they will have challenges—it has very significant national implications.

So we feel good about our ability to partner with big States, small States, rural, urban, whatever. I understand the concerns. But candidly, I think we have managed that pretty well.

Senator SHAHEEN. Well, I certainly appreciate your nice words about the work on assessments in New Hampshire. I think it is a place where the State has done a great job and provides a model.

Secretary DUNCAN. There is a thoughtfulness and depth of commitment and expertise that, frankly, we have not seen any other place. And they are far, far ahead of other folks.

That is fantastic. Other people can learn from you. But there is some real potential there that our team and I find pretty exciting.

STEM AND FIRST ROBOTICS

Senator SHAHEEN. I was pleased to see that you have spoken out about FIRST, which is another great program that started in New Hampshire with Dean Kamen, the robotics competition. They are having their national finals this weekend at St. Louis, so hopefully we will see New Hampshire do well in those finals.

But one of the things, having been a teacher, that I appreciate is that all students don't learn with a teacher standing in front of the classroom lecturing, and that the opportunity for hands-on education is very important. It is one of the things that FIRST and other programs like FIRST do for students.

So what is the department thinking about, in terms of how to really ensure that every school can have a FIRST team or similar kind of team, where the students can do hands-on work with mentors, get into the STEM subjects in a way that sometimes they are not able to do when they are in the classroom?

Secretary DUNCAN. First of all, I would just say I'm a huge fan of Dean Kamen and what he has created.

Senator SHAHEEN. Aren't we all?

Secretary DUNCAN. What he has created, it's just amazing. For folks who haven't seen it, they fill stadiums with students doing extraordinarily exciting work, and all the cheering and all the noise and excitement that you traditionally see in athletics contests. I think it is actually much more important and valuable.

Senator SHAHEEN. It's sort of Einstein meets Michael Jordan.

Secretary DUNCAN. So people who haven't been to one should go see one and soak it in.

We don't have any direct funding there. It would be great if every not just high school, but middle school in the Nation had a robotics team. I think that would be amazing.

So I'm a big, big fan. We don't have a direct funding stream for it. They can use resources that we have to support it.

It is actually extraordinarily low-cost. This is not a big ticket item. And the benefits for students I think are amazing.

So whatever we can do to support and to be a strong cheerleader advocate—I have been out a couple times. I'm not going this weekend, but it is amazing to see the impact it has had.

Senator SHAHEEN. It is, and as we are looking at ESEA, we are hoping that there might be some language we can get in that would support programs, not just FIRST, but other programs like that that are hands-on.

So I know that the chair and ranking member are looking at those issues as they are looking at ESEA.

Secretary DUNCAN. If more students had those opportunities, that would be a fantastic thing at lots of levels.

RE-COMPETING CONTRACTS OF STUDENT LOAN SERVICERS

Senator SHAHEEN. It would be.

Mr. Chairman, if I can just make one final comment. I know that Senator Lankford asked about the servicer loan organizations and that, Mr. Secretary, you said you would be looking at re-competing contracts in September and looking at the numbers, the volumes that you will allocate.

I would just urge you to look at the good job that many of those servicer organizations are doing. We have one in New Hampshire that does great work. I would rather support them as a not-for-profit than support some of the for-profit organizations that are doing that kind of work.

Secretary DUNCAN. I appreciate that. We are just trying to do it strictly on performance. I'm happy to share our metrics.

Senator SHAHEEN. That would be great. Thank you.

Thank you, Mr. Chairman.

Senator BLUNT. Thanks, Senator.

I have a few more questions. I have a couple, and maybe more than a couple, but I will ask a couple then go to Senator Murray and Chairman Cochran, if we have any more, and then back to Senator Shaheen, if she has more she wants to ask.

IMPACT AID PAYMENTS FOR FEDERAL PROPERTY

On Impact Aid, Mr. Secretary, you asked for level funding for Impact Aid in a budget that basically asks for a 6 percent increase in total. I think we had a vote on this during the Budget, and overwhelmingly, Congress suggested that the goal of these Impact Aid programs and the PILT program and other programs where we are replacing money that would be there if this were privately owned property, should we get that money to a level as near as possible approximates what a private taxpayer would pay.

So it does seem to me that level funding for Impact Aid, if everything else was level funded, would not hear complaints. But the priority here doesn't seem very high.

Then you take the payments in the Federal property program, which is $67 million, $1 million of that goes to Missouri schools, and you put that in your own facilities maintenance program. Surely, you don't really expect that.

Secretary DUNCAN. I will take the second half and then give it to Tom. On the first half, I'm really happy to have that conversation.

Senator BLUNT. What do you have, Tom? Twelve buildings that this facility money would go to?

Mr. SKELLY. There are still 12 buildings that are owned by the Federal Government. We would like the local school districts to take those over, but they think that some of the schools haven't had the proper maintenance and upkeep on them. So we would use the $67 million from the payments for Federal property program for the upkeep of the buildings so that they would be in good shape to be taken over by the local schools.

Senator BLUNT. The $925,000 that goes to really, in almost all cases, really small districts in my State, that what you are doing with that money, you are taking care of 12 Federal buildings instead of giving them the $925,000?

Secretary DUNCAN. We are trying to get rid of these 12 buildings, to be clear. But again, we are happy to have——

Senator BLUNT. To be clear, you zeroed out the payments in the Federal property program and moved it to the facilities management program. That is to be clear, what you did.

Mr. SKELLY. That is exactly right.

Secretary DUNCAN. That is exactly right. Again, the goal is to eventually move these properties from us to local districts. Local districts don't want them today.

Mr. SKELLY. The other argument for the $67 million, and you might not agree with it and your folks wouldn't, is that the districts lost the property tax base because of a Federal activity. Those Federal activities in the property program aren't ones that have resulted in a lot of kids going to schools. They are parks and things like that where the property tax base is reduced, but there weren't kids being served.

We have supported over $1 billion for the Impact Aid program in the areas where they are having an impact on the student enrollment in the district. But what we understand is that most of the schools that applied under the property program before 1970 did lose property tax revenue because they can't charge the Federal Government for the property tax, but they are not serving a lot of kids in those areas.

So you might want to ask them if there is an argument against that that would help us in developing future budgets, because we have repeated this proposal a couple years.

Senator BLUNT. Well, there are a number of arguments against that. One is that they still have to run the long bus route through that entire area to pick up kids that are either in the middle of the area or on the other side of the area. The fact that if the Federal taxpayer wasn't there, whether there are kids there or not, somebody would be paying a property tax.

I think there are lots of arguments, and I will be surprised if that part of the budget is the way you submitted it.

Secretary DUNCAN. We are happy to have a conversation.

Senator BLUNT. All right.

COLLEGE RATING SYSTEM AND TRANSPARENCY

Back to the college ratings program, which I'm glad Senator Lankford asked the questions he did to get information on that, but a lot of these, I know I have one clipping in front of me now where you all put out a list of 56 Missouri schools and a number of others who people should be aware of because they were under heightened cash monitoring.

Now, that is a trailing indicator. I think those numbers are all 2 years old, and a number of things there would indicate maybe that is like all these ratings may be, it may not be not all that good.

I think Sweet Briar had the perfect score right before they announced they were not going to be in business next year. Sweet Briar in North Carolina had a 3.0. Harvard dropped to 2.3 during the recession.

I think a lot of these ratings are going to have those same kinds of problems.

But, Tom, you look like you want to respond to that?

Mr. SKELLY. Not a lot, but, I would say, Sweet Briar is in Virginia, not North Carolina.

Senator BLUNT. You're right. You're right.

Mr. SKELLY. But they did decide to close on their own. It wasn't because of the cash management regulations.

Some of those cash management regulations are minor things. We put out several different categories, some that the schools just didn't complete an audit on time. For example, I think there are some 40, 45 in Minnesota. It wasn't a major problem for them. It is just something to look out for.

Senator BLUNT. Well, it's a major problem like the ratings will be a major problem if somehow your school is suddenly rated by some matrix of not filling out the form, or something that maybe matters at the Department of Education, but really doesn't matter in terms of whether the school continues to produce a quality student and a quality product.

So we are going to continue to talk about this until you give up on this.

Senator BLUNT. Yes, Secretary.

Secretary DUNCAN. Let me just, from a broader, philosophical standpoint, it's a fair conversation to have. Again, I really respect your deep expertise in this area.

I think a pretty important role that we can play is one around transparency. So what we did—and not everyone agreed with this, and candidly, not everyone inside our own department agreed with this—but not too long ago, we put out the list of universities that we are looking at where there are allegations around sexual assault. And an allegation is not a proof of guilt. And we do the investigations and sometimes we find real problems. Sometimes we clear a place.

But I thought, personally, it was important to have that information in the public sphere.

The same on heightened cash management. It is an issue. It means different things. But for us to be withholding all this information from the public, not being transparent, I think a really im-

portant role of government is to be clear on these types of things and to have the public conversation and the debate.

But when we hold all the cards and don't share that with the public, I don't think as a public servant, we are doing a good job.

So in lots of these areas, the more we can get honest, good information out there and where we need to adjust metrics or have that conversation, we should absolutely do that. But I put this in the broader category, maybe you disagree, but I thought it was important to be public and to be clear about where we were looking at allegations.

Senator BLUNT. Areas that might not be available, maybe we ought to talk about whether the accreditation process itself is transparent enough, available enough.

Secretary DUNCAN. I would love to have that conversation.

Senator BLUNT. Good.

Senator Murray.

OFFICE OF CIVIL RIGHTS SEXUAL ASSAULTS CASELOAD

Senator MURRAY. Mr. Secretary, I was actually pleased to see that your budget proposed a significant increase for the Office of Civil Rights (OCR) so that it can address its backlog of investigations and reduce the amount of time that it takes to respond to a complaint and keep up with increasing workload—all things that, of course, make our college campuses safer.

OCR now receives about 10,000 complaints a year. That is up from 2010. Its budget is still underfunded and below, actually, pre-sequestration levels. Their workload includes investigation of sexual assault on campus, which are complex investigations and take a lot of time.

So I wanted to ask you today, can you explain to our subcommittee how that increased funding you requested will help to reduce the backlog?

Secretary DUNCAN. Yes. This is a really important issue. These are just really hard, difficult issues that we struggle with every day. Again, your honest feedback is really helpful.

But as you said, we have gone from about 6,000 complaints in 2008 to over 10,000 in 2016. I don't have any evidence to back this. I don't necessarily think there are that many more sexual assaults happening. I just think people know that we are open for business and taking this seriously. Far too often, victims felt no one would listen and no one would pay attention. It was swept under the rug. Those consequences, psychologically and emotionally, are pretty devastating.

So it is a good thing that people now know that we take this very, very seriously, but it has created an extraordinary workload for our team. In fact, we have less staff than when this started.

I think one thing we owe these universities, but more importantly, the individuals, is to try to bring these to resolution as quickly as we can. This is absolutely traumatic, both for the alleged victim and also for the alleged perpetrator. If something bad really happened, we owe it to the victim to not go through this for 2 or 3 or 4 years. If the alleged perpetrator is, in fact, innocent, we owe it to that perpetrator to not have them go through trauma for a couple years.

So we are just trying to bring these to a thoughtful but relatively speedy resolution. And we, frankly, cannot keep up with demand. It is as simple as that.

I wish our budget for this was zero. I wish there were none of these cases. I wish we weren't in this line of work. That is not the reality, unfortunately, on far too many of our college campuses, and we have an obligation to work as thoughtfully, as consistently, as honestly, and as speedily as we can to try to deal with hugely traumatic issues. That is just the reality of where we are today.

Senator MURRAY. Okay, thank you. I really appreciate that. I understand the need for additional dollars. You're right. We need to make sure that both the victim and the perpetrator have an answer.

What do you do at these colleges, if you do find victims who rightfully need a remedy? What do you do on the campuses?

Secretary DUNCAN. Again, I'm just so proud. We don't do perfectly, but I think our Office for Civil Rights has done an amazing job with this. You've seen this issue enter the public dialogue. You've seen this on magazine covers, where historically it was swept under the rug. You have seen universities change their policies and practices in pretty significant ways.

So we think there has been a seachange here. Now, there is a long way to go. We have to keep learning. We have to keep getting better together. But you see more and more universities sort of embracing these difficult, complex issues, not hiding from them, and trying to come up with policies and practices that, again, have a process that leads to the right outcome, wherever the facts may lead.

So we have done some very, very significant work. I go back to my earlier point. I think the fact that we have been so transparent on this has helped. There are some challenges there, but it has created a huge amount of movement.

And it's not only young women. There are young men, too, but it's disproportionately young women. And many more are feeling safe in extraordinarily difficult situations to have their voice be heard. I think we owe it to them and to their families to listen.

Senator MURRAY. I think your emphasis is correct. Students leave college for a lot of reasons. Feeling insecure and unsafe should not be one of them. So thank you.

SALLIE MAE REVIEW

One last question. Last May, during a Budget Committee hearing on your 2015 budget, we talked about the issue of a Sallie Mae alleged violation of the terms of the Servicemembers Civil Relief Act. Sallie Mae settled with the Department of Justice in that situation. And you promised that you would pursue every avenue, if laws were broken, and review all of your service providers for compliance with the law.

It has been a year since our conversation, so I wanted to know what the results of that review were.

Mr. SKELLY. Senator, we are checking on all those reviews and it looks like, by May 1, we will be finished with reviewing all the servicers and finalizing that agreement with Sallie Mae and Navient.

Secretary DUNCAN. So stayed tuned, the next 2 weeks.

Senator MURRAY. The next 2 weeks. Are you confident that the Federal Student Aid's (FSA) review is thorough and objective and will identify any issues of denial of benefits owed to our servicemembers and veterans?

Mr. SKELLY. It looks like they've been very, very thorough on it, and they're putting veterans' needs at the top of their list.

Secretary DUNCAN. If you look at the work they did leading up to the announcement earlier this week on a slightly different issue but on an institution, they did very, very thorough, thoughtful, comprehensive work.

We don't rush to judgment on these issues, in these situations. And they have a lot on their plate, but they are working very, very hard.

Senator MURRAY. Okay, we look forward to seeing that very soon. And thank you.

Secretary DUNCAN. Yes.

Senator BLUNT. I have two more quick things.

One is on gainful employment. I think under the proposal, the department estimates approximately 1,400 career training programs serving 840,000 students would not initially meet the standard you are proposing.

I think the standard is a 3-year out-of-school standard. Would they meet it if it was a 5-year out-of-school standard? Are you looking at what point many or most of these schools might meet the standard? Would they never meet that standard?

Secretary DUNCAN. My honest take on this is that when we are clear—and again, I think this is not a high bar. I would say this is a relatively low bar. But when we are clear on that, you see behavior change in pretty significant ways. And these are all projections going forward.

Again, we have maximum transparency. Every institution has these facts. We think we will see more good programs grow, and we will see bad programs either change or go away. We think all those outcomes—more good programs is fantastic. Bad programs improving, that is fantastic, or bad programs being eliminated. Those are all positive outcomes.

So I'm actually pretty hopeful about where this thing goes.

Senator BLUNT. So would you envision a school financial officer would begin to say, don't major in art history?

Secretary DUNCAN. No, no, no. No, this is very different. This is at the program level.

Again, there are institutions that have 50 or 100 programs. So this is just trying to say, at the program level, do graduates have a good chance at having a better financial future, or are they saddled with debt that they can never pay back?

There is huge variation across programs and between schools. And we are just trying to make sure people take, again, yours and my huge investment in tax dollars every single year—often 90 percent or more of the revenue is coming from us—and using it for good rather than for just pure profit.

STUDENT DEBT

Senator BLUNT. I did also think Senator Capito's points were points that we ought to be talking about. Of the debt problem when you get out of the school, how much of that related to the actual cost of going to school, and how much related to what you thought your living standard should be while you went to school? I'm pretty confident that, over the years, the student expectations for their personal living standard at school often increased beyond where they would have been just a few years ago.

Secretary DUNCAN. It may be a piece. I, candidly, don't know whether that is a huge piece of the puzzle, but we should be looking at all of these things. Again, I'm happy to have that conversation and share our data.

Senator BLUNT. I would like you to look at your data on that and see. I think it may be a bigger piece of the puzzle than we think, when you accumulate some of the debt. At schools that don't even have that high of a tuition number, a books number, even an on-campus living number, you can still see students graduating with debt that you wonder how that debt accumulated.

The last thing I'm going to ask you to do is I would like you to provide a year-to-year summary of marketing and advertising expenses for the department over the last 3 fiscal years. This relates to a topic I have been interested in, whether we should specifically identify that this is a taxpayer-funded marketing effort. And it would help me to know how needed that is, if we knew what your marketing and advertising expenses for the department were.

Secretary DUNCAN. We don't do a whole heck of a lot of it at all, but we would be happy to provide you with that.

Senator BLUNT. It should be easy to comply then.

Secretary DUNCAN. We would be happy to do it and provide you with that.

Senator BLUNT. Chairman.

Senator ALEXANDER. I have nothing further.

Senator BLUNT. Mr. Secretary, thank you and your staff for your time today. And we look forward to working with you. As you can tell, there is a lot of interest on this committee in what you do. And it's important to the country what you do. We are grateful to have your time and your patience today.

Secretary DUNCAN. Thanks for your leadership, and thanks for the opportunity.

ADDITIONAL COMMITTEE QUESTIONS

Senator BLUNT. Thank you.

The record will be open for any questions to be submitted in writing.

[The following questions were not asked at the hearing, but were submitted to the Department for response subsequent to the hearing:]

QUESTIONS SUBMITTED BY SENATOR ROY BLUNT

DEFINING GAINFUL EMPLOYMENT

Question. The Department estimates that under the Gainful Employment regulation 1,400 programs serving 840,000 students (99 percent of which are at for-profit

programs) would be classified, at least initially, as failing. This would jeopardize these programs' eligibility for Federal student financial aid funding. The Administration and the Congressional Budget Office (CBO) both estimate that at least some of these students would not go on to attend other post-secondary schools, which is an indication that these career training programs often serve students that other post-secondary schools are not currently serving. Given the number of students impacted, and that Congress and the Department have never defined "gainful employment" in statute or regulations previously, do you think Congress should have an opportunity to weigh in on what the Higher Education Act means by "gainful employment" prior to implementing such an extensive regulation? Do you think 2- and 4-year degree programs at public and private colleges and universities should be held to a similar standard? If applied to 2 and 4-year degree programs, has the Department estimated how many programs would fail to meet this same standard?

Answer. The Department remains committed to increased transparency and accountability across all of higher education and will continue to explore policies that are most appropriate to achieve this goal. The gainful employment regulations apply to programs and institutions that are required by law "to prepare students for gainful employment in recognized occupations." The regulations are intended to address very specific concerns regarding these programs: too many gainful employment programs, particularly those offered by for-profit institutions, are leaving students with unaffordable levels of loan debt in relation to their earnings and too many of those students are defaulting on their Federal student loans. While we are troubled by rising costs and increasing levels of debt across all of higher education, our data show that these problems are most acute for the programs subject to the gainful employment regulations. The Department has not estimated how many 2- and 4-year degree programs at public and private not-for-profit colleges and universities would fail to meet the gainful employment standard because program level data is not currently available for traditional 2- and 4-year degree programs. We appreciate that Congress may have a strong interest in addressing the uses addressed by these regulations in the reauthorization of the Higher Education Act (HEA) or other legislation and we look forward to working with Congress on its legislative proposals. However, in light of the numerous concerns about the poor outcomes of students attending many gainful employment programs, the risk they pose to the Federal interest, and the Department's statutory authority to protect students and taxpayers, we do not agree that the Department should not take, or should defer, regulatory action on this basis.

COLLEGE RATING SYSTEM

Question. The Administration announced the plan to develop a college ratings system in August 2013. Over 15 months later, in December 2014, the Department released a "College Ratings Framework" that still does not include specific details on exactly what metrics will be used, or how the proposed ratings system will be used. However, the Department still plans to release a college ratings system before the 2015–2016 school year. Given the obvious challenges in developing such a ratings system, why continue to go forward with the plan to release a college ratings system before this next school year?

Answer. The Department is continuing its work on the college ratings project, including providing new data about college performance that will be helpful for students and families before the 2015–2016 school year. Throughout that process, we have worked to evaluate the best ways to provide useful information to students and families that can help inform their choices about college. We have held public meetings and one-on-one sessions with thousands of stakeholders, and received hundreds of written comments from student advocates, officials from institutions, and other members of the higher education system. We are paying very close attention to the diverse needs, resources, and missions of institutions across the higher education system. The Department is listening closely to these comments and suggestions, and our final product will reflect the input of the higher education community.

BUDGET FOR COLLEGE RATING SYSTEM

Question. How much funding has the Department spent on developing the ratings system in previous years, and how much does it plan to spend in fiscal years 2015 and 2016?

Answer. To date, the Department has spent $1.9 million on the college ratings project. This includes approximately $85,000 on events and outreach to the higher education community and others (e.g., the National Center for Education Statistics (NCES) symposium hosted in February 2014, and the open forums held around the country in 2013–2014). This also includes $1.8 million spent by the Department for

contractor assistance on several components of the project including Web site design. The total value of contractor assistance is $4,053,870 over 3 years. However, this amount would cover the cost of all core and optional activities as proposed by the contractor. The Department is currently working to determine which activities the contractor will carry out. Additionally, the Department is continually assessing what other costs, if any, would be needed in fiscal year 2015 or fiscal year 2016.

PRESCHOOL DEVELOPMENT PROGRAM

Question. The Department of Health and Human Services provides $8.6 billion for Head Start and approximately $5.3 billion, in discretionary and mandatory funds, for the Child Care and Development Fund. States spend another approximately $5.5 billion on State-funded preschool programs. Given these other large Federal programs, and significant State funding, what can be accomplished with a relatively new $250 million Preschool Development Grant program that provides competitive grants to States to develop or expand preschool programs?

Answer. Despite the existing programs that provide child care and pre-kindergarten programs for children, there is still tremendous unmet need in this country for access to high-quality preschool. Parents know and want what is best for their children, but there are simply not enough affordable, high-quality slots for children to attend these programs. Nationally, nearly 60 percent of our Nation's 4.1 million 4-year olds don't attend any publicly-funded preschool program. In almost every State, the unmet need for early learning is enormous. For example, in Pennsylvania, 6,700 children are waiting for openings in the State preschool program; in Colorado, districts report that over 8,000 eligible children cannot be served; and in Michigan, Governor Snyder reported last year that 29,000 needy preschool age children didn't have an opportunity to go to subsidized preschool.

The demand from parents is not just for more preschool options for 4-year olds— it's for high-quality early learning opportunities from birth through age 5. That unmet need is not just in cities, but in suburbs and rural communities all across the country. The number of applications that the Department received from interested States speaks to the need for additional funding for both preschool slots for children and quality improvement efforts at the State level.

To further respond to this need, a key purpose of the Preschool Development Grants program is to leverage improvements in the quality of State early learning systems, including changes that can help increase the effectiveness of the larger existing Federal investments in early childhood programs.

PLAN FOR STATES WHEN PRESCHOOL DEVELOPMENT FUNDS EXPIRE

Question. To the extent this program is funding slots for children to attend preschool, what happens when this funding for States goes away, as is intended?

Answer. The Department is committed to funding projects that will be sustained beyond the grant period. Accordingly, we included in both the Development and Expansion grant competitions a selection criterion regarding the sustainability of the project and how the State will ensure that it will maintain the number and percentage of children served after the grant period ends. Furthermore, the Department expects that the quality improvement efforts that States will undertake will extend beyond the grant period and have a continuing positive impact on State early learning systems and services to children and families.

COORDINATION OF EARLY CHILDHOOD EDUCATION PROGRAMS

Question. How do you ensure the Federal Government is supporting a well-coordinated system of early childhood care and education, and not duplicating efforts or creating a complicated system of overlapping programs, eligibility standards, and reporting requirements?

Answer. We share your concern about the potential to duplicate efforts, and our Preschool for All proposal is designed to reduce duplication of Federal programs. For example, as more 4-year-olds are served by Preschool Development Grants and Preschool for All programs, we anticipate that Head Start centers will serve a larger share of infants, toddlers, and 3-year-olds, thereby reducing any duplication in programs. In addition, HHS is working to strengthen services to children birth through age 3 through new investments and reforms in Head Start. These joint efforts are essential to reaching our goal of providing universal preschool for 4-year-olds from low- and moderate-income families, while at the same time strengthening existing programs across the continuum of early learning from birth through kindergarten.

TITLE IV ADDITIONAL SERVICERS

Question. Currently the Department is choosing to allocate 75 percent of new student loans to the four Title IV Additional Servicers (TIVAS), and 25 percent to seven not-for profit servicers. Why create this arbitrary distinction, and why not just allocate loans to all servicers based on performance and capacity?

Answer. On January 1, 2015, we began providing allocations of new borrower accounts to the Not-For-Project (NFP) servicers through the Common Origination and Disbursement system. From that point, NFP servicers have received 25 percent of all new borrower accounts. As the allocation process is new to the NFPs, this percentage was established to minimize risk to student and parent borrowers and allow time to ensure that all the NFP servicers are fully able to meet all requirements and expected service levels, including financial reporting and reconciliation, prior to receiving larger volumes of new accounts. We will re-examine this percentage for the allocation period beginning in September 2015.

LIMITED SELECTION OF STUDENT LOAN SERVICERS

Question. Similarly, when a student consolidates their student loans and they get to pick their loan servicer, why do they only get to pick from the four TIVAS. Why not allow the student to pick from all eleven servicers?

Answer. The responsibility for most elements of originating and servicing new consolidation loans was competitively awarded to the four Title IV Additional Servicers in fiscal year 2013, as part of the transition from the expiring Common Services for Borrowers contract. As this contractual arrangement is already in place and provides sufficient capacity to provide the required services for all estimated consolidation volume over that period, we do not plan to award additional contracts to service new consolidations at this time. To do so would incur additional expense, create additional risk, and add operational complexity.

DEPARTMENT OF EDUCATION MARKETING AND ADVERTISING EXPENSES

Question. Hardworking taxpayers deserve more transparency and less over-reach from their Government especially when it comes to how Washington spends their tax dollars. Please provide a year-by-year summary of marketing and advertising expenses for the Department over the last 3 fiscal years, including the primary programs involved in such marketing activities and their primary objectives?

Answer. In fiscal years 2012 and 2013, the Department of Education did not spend any funds on marketing and advertising activities. In 2014, the Department spent a total of $27,865: $15,996 to contract for a marketing plan and campaign for a video series to help show teachers and educators how the Department's initiatives are improving and transforming classrooms across the country; and $12,898.76 to assist the Department with radio interviews that would enable the Secretary to share relevant success stories and highlight the local leadership that is making reform happen in schools.

––––––

QUESTIONS SUBMITTED BY SENATOR JERRY MORAN

EXPLANATION OF IMPACT AID LEVEL FUNDING

Question. Mr. Secretary, in its fiscal year 2016 Budget Request, the Administration proposes a $3.6 billion increase for the U.S. Department of Education. Could you explain why Impact Aid was not prioritized for an increase, especially given the strong Congressional support for this important initiative? The Administration consistently touts the importance of supporting military families and very rightly so yet the most important education program that keeps the doors open for many of these school districts is not prioritized for an increase in this budget request.

Answer. The Department takes seriously its responsibility to provide continuing support for the longstanding Impact Aid programs, and our total request for fiscal year 2016 is nearly $1.3 billion, the same as the fiscal year 2015 enacted level and an increase over the $1.2 billion requested in the President's 2015 budget. In addition, participating Impact Aid districts would receive an estimated $3.1 billion in Title I funding under our fiscal year 2016 request, an increase of $220 million over the fiscal year 2015 level for those districts.

COLLEGE RATING SYSTEM APPLIED TO COMMUNITY COLLEGES

Question. I have visited with the leaders of several colleges in my State to get their insight on the Administration's effort to implement a "ratings" system for institutions of higher education. These leaders tell me they believe in quantitative

measurements of performance. In fact, some of these colleges have their own key performance indicators that chart progress in areas such as graduation, persistence, student success, and cost. And, assessment of these indicators is a primary factor in how the job performance of these Kansas college administrators is evaluated.

Using community colleges as an example, these schools are unique as they reflect the demographic and economic conditions of the areas they serve. Consequently, to apply a statewide or nationwide performance metric regarding graduation, or persistence, to community colleges invites very real discrepancies and inconsistencies between the institutions' ratings. How is your Department taking these differences between community colleges into account as it works on its ratings system?

Answer. The Department is continuing its work on the college ratings project, including providing new data about college performance that will be helpful for students and families before the 2015–2016 school year. Throughout that process, we have been paying very close attention to the diverse needs, resources, and missions of institutions across the higher education system. We have held public meetings and one-on-one sessions with thousands of stakeholders, and received hundreds of written comments from student advocates, officials from institutions, and other members of the higher education system. We are listening closely to these comments and suggestions. Throughout the process, we have been working to develop a system that will, in part, recognize and reward institutions that serve disadvantaged students well, providing an affordable college education that helps them pursue their goals and find success.

COMMUNITY COLLEGE GRADUATION RATES

Question. I have heard concerns from Kansas community colleges that the Federal graduation rate significantly understates the actual completion rate of their students. In part, this is because transfers are counted as failures, even though we know that preparing these students to study at a 4-year institution is central to their mission. Community college graduation rates would dramatically increase if transfers were included. Will the Department consider options to count these transfers-out cases differently in its efforts to obtain data regarding college completion rates?

Answer. The Department is very familiar with the concerns of community colleges and other institutions with high levels of transfers regarding the development and presentation of completion rates, and we share those concerns. To that end, we are evaluating all possible options for providing the most valuable information we can, with appropriate context. That process includes evaluating ways to give colleges credit for their students' success in transferring and completing college.

The Department is also taking steps to improve the federally reported graduation rate in other ways. For instance, many community colleges serve students who are not enrolled on a first-time, full-time basis; yet those students are not included in the cohort for the Integrated Postsecondary Data System (IPEDS) graduation rates. To help mitigate those exclusions, schools will begin reporting graduation rates for their non-first-time (transfer) students and their part-time students for the 2015–2016 academic year. The addition of those student cohorts makes the IPEDS rates more inclusive and more representative of many schools, including community colleges.

STREAMLINE COMPLIANCE REPORTS TO REDUCE ADMINISTRATIVE BURDEN

Question. The leaders of higher education institutions in my State tell me they find themselves having to allocate more and more resources to fulfilling compliance reports for State and Federal agencies. In fact, one institution told me it has two full-time attorneys and a paralegal on staff tasked to oversee these compliance efforts. Needless to say, this ultimately impacts on schools' ability to deliver their product, quality education and training, in the most efficient manner possible. What are some ways that State and Federal agencies can work together to utilize the same information gathering requests and procedures? And, what ways can the Department streamline compliance requests and reduce the administrative burden on these institutions?

Answer. Congress recognized the important role States play with respect to institutions of higher education in passing the Higher Education Act of 1965. Under the law, in order for an institution to participate in Federal student aid programs, a State must authorize such an institution located in the State to provide postsecondary education, thereby ensuring that it helps to protect students in accordance with the State's consumer protection laws. As a result of this, and the fact that States differ in terms of how they oversee postsecondary institutions in their States, what States require of institutions varies. There are clear examples where State

agencies and the Federal Government work together to utilize the same information-gathering requests. For example, the Free Application for Federal Student Aid (FAFSA) is developed each year by the Department of Education, which seeks input from State student aid agencies in developing the questions that appear on the form. This is done for the purpose of reducing the number of State financial aid forms that otherwise might be required for students to complete, and for institutions to process, in order to make decisions about how to allocate State student aid. Recent innovations with respect to FAFSA also serve to illustrate how the Department can streamline compliance and administrative burden on institutions. For example, FSA and the Internal Revenue Service (IRS) collaborated to create the IRS Data Retrieval tool (DRT), which allows applicants to access and transfer directly from the IRS the Federal tax data required to complete the FAFSA. The tool saves time and increases the accuracy of the data submitted. More than 65 percent of students and more than 50 percent of parents with available data use the IRS DRT.

These improvements have not only reduced burden on FAFSA applicants, but for institutions of higher education as well. As a program integrity measure, institutions are required to verify about a quarter of aid recipients at the institutions the information reported by applicants on the FAFSA form. This verification requires applicants to provide documentation to their institution such as copies of IRS tax forms and other information to confirm the information reported on the FAFSA. For applicants who use the DRT tool, institutions can be assured that they have the most accurate financial data to calculate student aid eligibility as it has come directly from the IRS, thereby eliminating the effort associated with manually verifying a student's and parents reported AGI, taxes paid, untaxed portion of pensions, IRA deductions, tax exempt interest income and education tax credit data.

IMPROVE REPORTING REQUIREMENTS

Question. A consistent criticism of the Department of Education is that it asks colleges and universities to respond quickly to the Department's inquiries and demands, but can often take months, even years, to issue its own reports and responses back to those colleges. The result leads to schools sometimes facing surprising penalties. For instance, in 2013, the Department fined an East Coast university for violations that were found in an audit in 1996 and another university for violations from a 1997 audit, a 17-year and 16-year time lag, respectively. These are not isolated cases. Colleges throughout the country can tell similar stories, not just on compliance interactions with the Department, but also for approval of new programs. Since this practice by the Department severely limits colleges' abilities to plan and budget for the future and impedes their ability to seek out innovative approaches, what is the Department doing to address these challenges?

Answer. The cases involving violations dating back to 1996 and 1997 were unique circumstances that involved three interrelated cases involving lengthy legal proceedings. The initial case was appealed to the Secretary in 2000. As a result, the two cases listed above, which were based on similar circumstances, were deferred awaiting outcome of the case appealed to the Secretary, which wasn't resolved until 2013. These types of extreme delays are quite rare. Some audit, program review, and eligibility applications (to include approvals for new programs) require extensive follow-up for additional documentation, institutional responses to findings, or the need to obtain legal or policy guidance. The Department recognizes the importance of timeliness in responding to oversight and monitoring actions. We have been making changes over the last 2 fiscal years to address some of the challenges noted above: we recently consolidated our oversight functions of large corporate institutions to provide a comprehensive monitoring approach, and we centralized our response to student complaints regarding school compliance issues to provide more timely responses. The Department is committed to assessing and improving the timeliness of our monitoring and compliance actions to better assist our participating institutions and the students they serve.

TEACHER PREPARATION REGULATIONS

Question. Of the more than 4,500 public comments submitted regarding the Department's proposed teacher preparation regulations, I understand that a vast majority were in opposition to the proposal. I am concerned about these regulations because colleges in States like Kansas could be placed a significant disadvantage. For my State, I am concerned with the Department's assumption that all States and all institutions have the same capacity for data collection. Similar to the Department's college-ratings system proposal, these teacher preparation regulations read like a "one-size-fits-all" approach that does not reflect the true diversity of missions, approaches, and resources that exists among American higher education. How can you

assure me that the teacher preparation regulation will not do major harm to effective, good quality education programs, especially at smaller colleges in States like Kansas?

Answer. There was a great degree of public interest in our proposed regulations on this issue and the Department is still in the process of reviewing the comments we received. As such, we cannot, at this time, provide a comprehensive response to your question. However, the Department takes the issues you raise very seriously. We are carefully considering how to ensure States have significant flexibility in designing their systems and evaluating program performance, while also offering transparency into the performance of teacher preparation programs. Great teachers matter enormously to the learning and to the lives of children, and we are dedicated to ensuring the final regulations reward effective programs and facilitate continuous improvement.

SUPPORT FOR ENTREPRENEURSHIP FOR STUDENTS

Question. As we think about the current fiscal environment, one way we can help reduce the Federal deficit is to grow the economy. To do this, I have advocated for the need to strengthen our support of entrepreneurs given that new businesses account for the creation of an average of 3 million jobs each year. Support for entrepreneurship begins with developing our next generation of American talent and independent thinkers. What specific activities and programs at the Department focus on helping students attain the skills necessary to become entrepreneurs and compete in a global economy?

Answer. The Administration's longstanding emphasis on State-developed college- and career-ready standards and aligned assessments has been driven, in large part, by the recognition that we need to prepare all students to compete successfully in a global economy characterized by near-constant change and innovation. The higher order thinking skills, such as critical thinking and problem-solving, that are reflected in college- and career-ready standards are exactly the skills essential for entrepreneurship. While the Department does not administer any programs or activities focused solely on entrepreneurship, our $125 million Next Generation High Schools proposal would support the kind of rigorous, engaging, and relevant education including work-based learning and other career-related experiences that can give students the skills and aptitudes needed for successful entrepreneurship. Also, the 21st Century Community Learning Centers program has supported many locally directed entrepreneurship projects over the years that have involved such activities as writing and presenting a business plan, identifying sources of funding, advertising, and learning how to manage money. For example, States have used 21st Century Community Learning Centers funds to make grants to support the Young Entrepreneurs Academy sponsored by the Boys and Girls Club.

TRIO COMPETITIONS

Question. In fiscal year 2015, the Department mishandled the TRIO Student Support Services competition. This included a late release of the initial grant application, followed by a re-issued application that prioritized experimental competitive preferences over actual student needs. Ultimately, this Committee along with our counterpart in the House included language to the fiscal year 2015 Omnibus Appropriations bill to improve timely handling of the competition. What assurances can you give me that the Department will meet the statutorily established deadline of August 10, 2015, for delivering notification of the results of the Student Support Services grant competition? Additionally, how will the Department avoid similar problems in the upcoming competitions for TRIO's Talent Search and Educational Opportunity Centers during fiscal year 2016?

Answer. We are on track to make all Student Support Services (SSS) awards by August 10, 2015. The Department received over 1,800 applications for SSS grants in the fiscal year 2015 competition. We are finalizing the peer review process and expect to make the first slate of SSS awards by July 2015. We will then undertake the statutorily-required second review process and expect to make awards from the corresponding second slate by August 10, 2015.

We acknowledge that our handling of this competition, including issues related to both timing and communication, should have been better executed. We are committed to addressing and resolving those issues in advance of the Talent Search and Educational Opportunity Centers competitions in fiscal year 2016.

We are very excited about the substance of the SSS competition, which offered competitive preference priority points to applicants proposing projects designed to implement evidence-based strategies. Specifically, applicants could earn one additional point for providing individualized counseling, an activity explicitly authorized

in the statute; and two additional points if that individualized counseling strategy was supported by quality research. Additionally, applicants could earn one additional point for proposing strategies to improve students' non-cognitive skills and behaviors (such as perseverance or academic mindset), and an additional two points for a non-cognitive strategy that was supported by evidence. In order to maximize the benefits for students of Federal dollars, the Department believes it is essential to continue encouraging the adoption of evidence-based strategies throughout our programs.

INDIVIDUALS WITH DISABILITES EDUCATION ACT FUNDING

Question. I understand that the Administration requests a slight increase for IDEA funding for fiscal year 2016, and has prioritized some formula grant funding over competitive grants, as compared to previous budget submissions. However, why not place a greater emphasis on IDEA support given the enormous gap in the Federal commitment? Had funding for formula programs such as IDEA been a priority in the last 6 years, do you think we would be in the position we are today shifting such a huge shortfall to the doorsteps of States and school districts across the country?

Answer. We recognize the importance of Federal funds in assisting States in providing a free appropriate public education to children with disabilities. The record demonstrates the Administration's commitment to providing formula funds to States and school districts to support special education and related to services to children with disabilities. For example, over the last 5 years, the Administration has consistently requested funding levels for the Grants to States program that exceeded the amount appropriated by Congress. In fact, the amount provided for Grants to States for fiscal year 2015 is $80 million less than what was appropriated in fiscal year 2012. The fiscal year 2016 request demonstrates the Administration's continuing support for States and local school districts working to improve the educational and developmental results of children with disabilities across this Nation.

We have spent a lot of time thinking about how, given limited resources, we can best support professionals in the field, and we believe that our budget request reflects the best way to do that. We know that early intervention services and early childhood education are critically important to getting kids on the right path, so we've requested funds to support those efforts, not only through IDEA programs, but also through Preschool Development Grants and Preschool for All. Our 2016 request increases Preschool Development Grants funding by $500 million, for a total of $750 million. Those funds will help lay the groundwork to ensure that more States are ready to participate in the Preschool for All program, a 10-year, $75 billion mandatory investment that establishes a Federal-State partnership to provide all low- and moderate-income 4-year-olds with high-quality preschool. These programs, in supporting high quality early learning for all students, will also increase the number of inclusive preschool settings for children with disabilities.

While State economies are improving, we recognize that some districts still face resource challenges. That is why the Office of Special Education and Rehabilitative Services has increased its focus on helping people do more with the resources that they do have. Under the Department's new Results Driven Accountability framework, we're supporting States in identifying high leverage areas of need and focusing their work to address gaps in performance. In shifting from a focus on compliance to one based on results, we hope to ensure that States and districts can more effectively prioritize their efforts and improve results for children with disabilities, while doing both more efficiently.

ACCOUNTING PRINCIPLES

Question. I understand that the Department's Financial Responsibility Standards were designed to provide a measurement of colleges' fiscal health. However, there are at least seven components of the these standards where the Department uses a methodology that is not compliant with Generally Accepted Accounting Principles nor compliant with even the Department's current regulations in other areas. I am concerned that all seven of these components disparately impact smaller non-profit colleges. Why not use the same accounting principles that the institutions themselves are expected to follow and respect?

Answer. The Higher Education Act (HEA), as amended, regulations require the institutions to submit the financial statements based on Generally Accepted Accounting Principles (GAAP), and prepared per Generally Accepted Auditing Standards (GAAS). In addition, the HEA regulations govern the composite score calculation, and these regulations provide for adjustments to certain financial statement amounts. For example, intangible assets, and unsecured related party receivables

are removed from total assets in the composite score calculation. Another example is that unrestricted revenues are used, instead of total revenues, when calculating the composite score for non-profit institutions. These examples are not all inconclusive. The purpose of the composite score adjustments is to assess the risk associated with each institution's financial and administrative capability to use HEA Title IV funds. GAAP and GAAS do not assess such risk exposure or adversity that may exist in the various financial statement amounts.

The 'strength factor scores' used in the composite score methodology provide for distinctions among different school sizes, to make the resulting composite score reflect more fairly the actual financial health of each institution.

————

QUESTIONS SUBMITTED BY SENATOR THAD COCHRAN

SUPPORTING EFFECTIVE EDUCATOR DEVELOPMENT GRANTS

Question. Secretary Duncan, in Mississippi, the Supporting Effective Educator Development grant program has been used to train hundreds of teachers over the past several years. The positive impact that these teachers are having on Mississippi children is impressive to me. Can you speak to the importance of setting aside a percentage of funds to support evidence-based models that recruit and prepare teachers and principals to be successful in classrooms and communities across the country?

Answer. We are committed to continuing to make Supporting Effective Educator Development (SEED) grants to support projects with evidence of effectiveness that recruit, select, and prepare or provide professional development activities for teachers or principals. The Administration's budget request for fiscal year 2016 would more than double support for the SEED program, increasing funding from $54.0 million to $117.5 million. Moreover, the Department firmly believes that the strongest available evidence should inform educational funding and policy decisions. Creating a larger pool of evidence-based activities will provide more opportunities to scale up projects that have a history of success and to improve educational outcomes for more students.

READY-TO-LEARN PROGRAMS

Question. Secretary Duncan, in this day and age, children are spending more and more time watching television and using digital media. Children cannot be in school 24 hours a day, 7 days a week, but that does not mean that we should not try to provide educational opportunities for them outside of the classroom. It is my understanding that the Ready-to-Learn program's grantees have been able to demonstrate positive and statistically significant gains in math or literacy skills for children who access their educational material. Can you speak to the positive impact that effective educational programming can have on student academic achievement?

Answer. The Department is interested in supporting the development of transmedia products, including applications and online educational games, which demonstrate positive and statistically significant gains in math or literacy skills. The Ready-to-Learn Television (RTL) program established a performance measure to capture this information. To date, the Department has received the results of five of the seven studies grantees planned to conduct and has found that all of the studies demonstrate positive and statistically significant gains in math or literacy skills when RTL-funded properties are compared to similar non-RTL-funded properties.

ABILITY-TO-BENEFIT PROVISION

Question. Secretary Duncan, we have had a lot of students in Mississippi who have been negatively affected by the elimination of both the "ability-to-benefit" and "year-round" provisions that had been included in the Pell Grant program until fiscal year 2012. In fiscal year 2015, we were able to partially reinstate the "ability-to-benefit" provision in a very limited way but the Department has not released guidelines on the implementation of the change. Can you please provide this Committee with an update on the status of the implementation of the change set forth in the fiscal year 2015 Omnibus in relation to the "ability-to-benefit" provision in the Pell Grant program?

Answer. The Department is finalizing a Dear Colleague Letter that will clarify changes made by the Consolidated and Further Continuing Appropriations Act of 2015 to the Title IV eligibility of students who are not high school graduates. We expect this guidance to be released in the next weeks, and it will allow schools to implement the relevant changes immediately.

QUESTIONS SUBMITTED BY SENATOR LAMAR ALEXANDER

INSTITUTIONAL REPORTING REQUIREMENTS COMPLIANCE CALENDAR

Question. The Higher Education Opportunity Act of 2008 included a provision requiring the Secretary of Education to issue a compliance calendar indicating all institutional reporting requirements and when each was due. It is now 2015 and the Department has failed to issue this calendar. Are you prepared to complete this task and when exactly can we expect the compliance calendar to be issued?

Answer. An electronic announcement was issued February 20, 2015, indicating that the compliance calendar was included in the 2014–2015 Federal Student Aid Handbook Appendix F. The announcement is available at: http://ifap.ed.gov/eannouncements/022015AppendixFInstRptgDisclosureRequireFedStudentAssist Prgms1415FSAHdbk.html and the Handbook Appendix can be found at http://ifap.ed.gov/fsahandbook/1415FSAHbkAppendices.html.

IMPLEMENTATING RECOMMENDATIONS OF THE HIGHER EDUCATION TASK FORCE

Question. I appreciate knowing that the Department has begun reviewing the Task Force on Federal Regulation of Higher Education's report Recalibrating Regulation of Colleges and Universities. The report identifies several items which the Department may implement or improve on its own and in response today Mr. Secretary, you indicated that staff have begun looking at these items. Of those identified, which specific items is the Department focused on changing and has a timeframe been established for implementation of the Department's proposed changes?

Answer. The Department is examining the Task Force's recommendation concerning implementation of a performance-based approach in the financial responsibility standards regulations. We are also looking to see how we can simplify the verification process. We do not have specific timeframes for this work.

AUDIT PROCESS OF PRIVATE COLLECTION AGENCIES

Question. The Department of Education recently decided not to continue the contracts for five private collection agencies that assist borrowers who have defaulted on their Federal student loans. Please outline the process the Department used to determine that it would not be continuing these contracts, including the process it followed when conducting the audit the Department cited when taking this action. In describing the audit process, please provide information including, but not limited to: (1) the aggregate numbers of phone calls reviewed, calls flagged, and calls with errors for each collection agency; and (2) a description of all measures taken to ensure that the call sample reviewed for each collection agency was representative of that agency's performance.

Answer. The Department conducted a focused review of the 22 private collection agencies (PCAs) and identified 5 that had made misstatements to borrowers at an unacceptably high rate. In particular, the Department found that these five PCAs gave borrowers inaccurate information about the benefits of the Department's loan rehabilitation program, including misleading information about the benefits to the borrowers' credit report and about the waiver of certain collection fees. These misstatements violated Federal consumer protection laws. Based on the review, the Department declined to extend the contracts of the five PCAs that had made misstatements to borrowers at an unacceptably high rate. As you note, the Department did not terminate these contracts. The contracts were expiring by their own terms and the Department has allowed them to expire, declining to give those PCAs award terms that could have extended the contracts.

TRANSFERRING OF BORROWER'S ACCOUNTS TO NEW PRIVATE COLLECTION AGENCIES

Question. As a result of the Department's decision not to continue contracts with some private collection agencies, some borrower accounts are being reassigned to other agencies. Please describe the process that the Department is following to transfer borrower accounts to new private collection agencies, including (1) any notice provided to affected borrowers, and (2) all measures that the Department is taking to ensure that each collection agency has the capacity to handle any increase in the volume of work without sacrificing performance or compliance with program requirements. In addition, please describe the steps that the Department is taking to update the guidance it provides to collection agencies regarding the issues for which it found compliance errors in its recent audit.

Answer. In addition to winding down contracts of the PCAs that had the highest rates of inaccuracy, the Department is working to ensure that the remaining PCAs implement effective corrective actions and expand monitoring for these types of

issues to ensure borrowers are getting effective and accurate information. Accounts that were in active repayment at the time the PCA contracts were allowed to expire will remain at that PCA in order to avoid disruption for the borrower. The rest of the accounts are being removed on a scheduled basis, in stages over time. Based upon our planning efforts, including communication with our PCAs, we do not anticipate that any of the collection agencies will be unable to handle the assigned account volumes.

ADDRESSING STUDENTS WITH DYSLEXIA

Question. Several Senators are concerned with various subgroups of students. One prevalent group is students with dyslexia. Please inform the Committee of programs within the Department that specifically address or focus on students with dyslexia. Please provide any specific information on on-going or recently completed research projects that have involved dyslexia and Department programs solely or primarily focused on dyslexia.

Answer. As you are aware, dyslexia is a type of learning disability characterized by difficulties with specific language skills, particularly reading and spelling. In addition, difficulties with other language-related skills, such as writing, listening and speaking, may be present. The Department does not generally fund programs that are focused on a specific disability, except in the case of low incidence disabilities required by law. However, the Department does support both research under the Institute of Education Sciences and a number of grant programs under the Offices of Special Education and Rehabilitation Services and Elementary and Secondary Education that benefit students with dyslexia and other types of learning disabilities. For example, the National Center for Special Education Research and the National Center for Education Research in the Institute of Education Sciences (IES) support research related to improving literacy achievement. In addition, both the Office of Special Education Programs and the Offices of Elementary and Secondary Education and Innovation and Improvement support grant programs that benefit this population. Information about relevant research investments and grant programs funded through the Department is provided below.

INSTITUTE OF EDUCATION SCIENCES PROGRAMS THAT ADDRESS DYSLEXIA

The National Center for Special Education Research (NCSER) and the National Center for Education Research (NCER) in IES support research related to improving literacy achievement. NCSER's programs of research focus on improving reading, writing, and language skills of students with or at risk for disabilities. NCER focuses on achievement more broadly to improve educational outcomes for all students; however, its work can include improving outcomes for struggling readers and those at risk for academic failure.

Together the IES Research Centers support research designed to develop and rigorously evaluate interventions to improve outcomes for children with or at risk for reading disabilities, to prevent reading disabilities from emerging, and to close the reading performance gaps between children with reading disabilities and their peers. They also fund research related to the development of valid and reliable assessments to identify children with reading disabilities, monitor progress, guide instructional decisions, and provide accommodations for large-scale assessments.

The Centers continue to provide significant investment in examining cognitive and linguistic processes of reading for children with disabilities, as well as typically developing children. Finally, the Centers are interested in effective approaches to professional development for general and special education teachers and related services providers, such as speech language pathologists, who often provide reading and language instruction to children with or at risk for reading disabilities. The research supported across the two Centers covers infants with or at risk for disabilities to adult learners who have been identified as having disabilities or are struggling readers.

It should be noted that the researchers supported by the two Centers typically do not define their sample as having dyslexia; instead, they prefer to define their sample more broadly as having or being at risk for reading disabilities. That being said, research projects supported by the two Centers address the language and visual processing difficulties that individuals with dyslexia present. For example, Dr. Nickola Nelson at Western Michigan University is completing validation research on the Test of Integrated Language and Literacy Skills to develop profiles of students' spoken and written language and literacy strengths and weaknesses. The measure will assess vocabulary skills, phonemic awareness, decoding, listening and reading comprehension, and writing. Dr. Beth Calhoon at the University of Miami, in conjunction with Lehigh University, is conducting a randomized controlled trial

designed to explore the most effective and efficient means to develop reading skills of middle school students with reading disabilities. The team is examining the efficacy of two versions of a fully developed intervention. Both versions address deficits in phonological decoding, spelling, fluency, and comprehension skills. However, they differ in the amount of allotted instructional time devoted to phonological decoding or comprehension.

In 2014, IES released a synthesis of the first 8 years of research supported by both Centers (see: http://ies.ed.gov/ncser/pubs/20143000/pdf/20143000.pdf). The synthesis focused on ways to prevent and remediate reading difficulties in students with or at risk for disabilities and described the Centers' research contributions related to assessment, cognitive and linguistic processes of reading, effective interventions, and teacher professional development. Major contributions described in the synthesis are provided below.

—Screening all students' reading skills (i.e., universal screening) at the beginning of the school year, especially in the early grades, after which using assessments to monitor their progress can be a valid and efficient way to: (1) identify children who are at risk for poor reading outcomes and (2) guide the decision-making process for determining whether an intervention is improving a student's reading skills.

—Increasing the intensity of interventions in kindergarten and first grade can prevent reading difficulties for many students.

—Fluency interventions that focus on repeated reading of text, opportunities to practice reading in the classroom, and reading a range of texts can generally improve students' fluency and comprehension.

—Language outcomes for many preschool children at risk for language disabilities can improve if they are provided extensive opportunities to hear and use complex oral language.

—Peer-assisted or cooperative learning is a promising method to increase the intensity of instruction for students and improving their reading outcomes.

—Interventions that are differentiated to target an individual student's profile of component skills are effective in improving students' reading development.

—Developing teachers' specialized knowledge and supporting consistent long-term implementation of evidence-based instructional practices can improve delivery of complex, evidence-based instruction and interventions.

—Combining multiple professional development strategies, including coaching, linking student assessment data to instruction, using technology, and participating in communities of practice, can support teachers' learning and implementation of research-based reading instruction.

The Centers' research support has extended our knowledge about helping children with or at risk for reading disabilities. Through this research, we have learned more about how to prevent reading difficulties through valid and reliable assessments and have developed and tested interventions that are targeted, intensive, and based on rigorous evaluations so that schools can support learning to read for all students. In addition, we are gaining a better understanding of the components of reading comprehension and how underlying cognitive and linguistic processes operate in a coordinated fashion to support reading. This research has also helped to illuminate how children bring different and developing profiles of skills to the classroom with implications for assessment and instruction. Finally, the research has helped to provide new knowledge on ways to bring research-based assessment and instructional practices into the classroom by identifying and testing ways to improve the effectiveness of teachers and their practice.

IES' Statewide longitudinal data systems (SLDS) program supports SEAs in developing, expanding, or improving data systems to efficiently and accurately manage, analyze, disaggregate, and use individual student data, consistent with the Elementary and Secondary Education Act. To date, 47 States, the District of Columbia, Puerto Rico, and the Virgin Islands have received awards. A number of States have used SLDS funds to develop indicators in their data systems for students with learning disabilities. Under the 2015 SLDS grant competition, these efforts will be further supported with States being encouraged to apply for funds to carry out projects to address up to two of the following data use priorities: (1) Financial Equity and Return on Investment; (2) Educator Talent Management; (3) Early Learning; (4) College and Career; (5) Evaluation and Research, and; (6) Instructional Support. Under any of these priorities, States would be able to enhance their ability to leverage their SLDS to address the needs of students with learning disabilities.

OFFICE OF SPECIAL EDUCATION PROGRAMS THAT ADDRESS DYSLEXIA

The vast majority of Federal funding for children with disabilities is provided through the Special Education Grants to States program, which received nearly $11.5 billion in fiscal year 2015. The Grants to States program, authorized under Part B of the Individuals with Disabilities Education Act (IDEA), assists States in covering the excess costs associated with providing special education and related services to children with disabilities.

In 2013, approximately 39.5 percent (2.3 million) of children with disabilities, ages 6 through 21, receiving special education and related services under the Grants to States program were identified as having a specific learning disability (SLD). Under Part B program regulations, a specific learning disability means a disorder in one or more of the basic psychological processes involved in understanding or in using language, spoken or written, that may manifest itself in the imperfect ability to listen, think, speak, read, write, spell, or to do mathematical calculations. States annually report the number of students in the SLD category that receive services under IDEA Part B; but are not required to report data on subtypes within the SLD category. However, we are aware that a large percentage of students identified under the SLD category demonstrate deficits in reading and related areas of language, which can include dyslexia.

In addition to formula grant funding, OSEP administers discretionary grant programs under Part D of the IDEA that support children with disabilities. Projects awarded under these programs help to improve outcomes for children with disabilities primarily through technical assistance, personnel preparation and professional development, and model demonstrations. These investments are not targeted to specific disability categories (with the exception of deaf and deaf/blind which are congressionally-mandated). However, since students identified as SLD, including those with dyslexia, represent such a high percentage of children served under IDEA, technical assistance and training in evidence-based interventions that address the needs of SLD students are typically a major focus of projects. Below is a list of current OSEP investments that are of benefit to students with SLD, including those with dyslexia.

Personnel Preparation Grants: $23.25 million total for fiscal years 2011–2014

During fiscal years 2011–2014, 21 grants were awarded to institutions of higher education (IHEs) for teacher, leader, and related-services preparation that will benefit students with dyslexia. In addition to training teachers to use evidence-based practices, some of these projects train speech/language pathologists to meet the language needs of students with disabilities, including those with dyslexia.

2014
—State University of NY: NY
—Clemson University: SC
—Florida State University: FL
—Vanderbilt University: TN
—University of Cincinnati: OH
—Washington University: MO
—University of Tennessee: TN
—Jackson State University: FL
2013
—Miami-Dade College: FL
—Washington University: MO
—Florida State University: FL
—Vanderbilt University: TN
2012
—University of Washington: WA
—University of Texas: TX
2011
—University of Connecticut: CT
—Teachers College, Columbia U.: NY
—University of Missouri: MO
—University of Georgia: GA
—University of Oregon: OR
—California Lutheran University: CA
—Syracuse University: NY

State Personnel Development Grants (SPDG): $47 million, 5-year grants, three cohorts—fiscal years 2010–2015, fiscal years 2011–2016, and fiscal years 2012–2017

Eight grants were awarded from fiscal year 2010–2012 to increase the number of trained teachers that provide direct literacy services to students with disabilities, including students with dyslexia. The funds are used for professional development to train and prepare teachers and speech language pathologists as well as doctoral-level training. The doctoral graduates generally become university faculty who train more teachers as well as conduct research.

2010
—North Carolina Department of Education
2011
—Connecticut Department of Education
2012
—Virginia Department of Education
—Michigan Department of Education
—New Hampshire Department of Education
—Kentucky Department of Education
—Vermont Department of Education
—California Department of Education

Adolescent Literacy Model Demonstration grants: $4.8 million total for 5 years to be awarded in fiscal year 2015

The Department plans to award three cooperative agreements to establish and operate model demonstration projects that are designed to improve the literacy of adolescents with disabilities in middle and high school grades. These models must be designed to implement evidence-based adolescent literacy interventions for improving reading, and locating, understanding, interpreting, evaluating, and using written information across multiple content areas. The deadline for submitting applications under this grant competition was May 4, 2015, and grants are expected to be awarded this summer.

BOOKSHARE for Education: $40 million for fiscal years 2007–2017

This grant serves students in all 50 States, providing accessible materials to children with disabilities. Students with dyslexia who are certified as "Print Disabled" are eligible for free digitalized instructional materials that are text to speech that can assist students with reading challenges.

National Center on Intensive Interventions (NCII): $10.4 million for fiscal years 2012–2016

NCII is charged with providing technical assistance to identify interventions that are most effective for students who do not respond to Tier 2 instruction under a multi-tiered system of support. This Center, which works intensively in RI, MI, MN, and MO, addresses both academic and behavioral interventions. Because reading is a significant focus of the academic portion of the Center's scope of work, these interventions should benefit students with dyslexia. In addition to the intensive technical assistance provided to RI, MI, MN and MO, the Center reaches students across the country through the provision of general technical assistance (e.g., Web postings, product/curriculum review, webinars) and targeted technical assistance (e.g., communities of practice comprised of multiple States focusing on a particular topic such as literacy).

SWIFT (Schoolwide Integrated Framework for Transformation): $25 million for fiscal years 2013–2017

SWIFT provides intensive technical assistance to SEAs in five States (MD, MS, VT, NH, OR), and to LEAs and schools within those States, to implement inclusive school reform by aligning resources to support the needs of all students in safe, inclusive environments. They also provide general technical assistance, such as resource guides and best practices, which are posted online and accessible to all States. SWIFT supports multi-tiered systems of support to more effectively deliver evidence-based instruction in inclusive settings. Reading is one of the content areas.

IRIS: $1.5 million per year for fiscal year 2013–2017

IRIS provides training modules (see: http://iris.peabody.vanderbilt.edu/iris-resource-locator/) and other information for free to States, IHEs, school districts, and schools on evidence-based reading instruction, which are used to help teachers assist all children with specific learning disabilities, including children with dyslexia. These include:

—9 reading instruction modules

—2 reading case studies
—29 information briefs
—4 interviews related to reading instruction
—8 video vignettes related to reading instruction

In addition, IRIS posts on its Web site a fact sheet prepared by the Dyslexia Association that includes information on causes, diagnoses, and rights for people with dyslexia.

Center on Technology & Disability: $6 million total for 5 years; fiscal years 2014– 2018

The Center on Technology & Disability housed at Vanderbilt University provides technology solutions to support evidence-based instruction. States, districts, schools, faculty, and students can access the content for free.

—Partners include FHI 360, American Institutes for Research, Parent Advocacy Coalition for Educational Rights or PACER Center, and Adirondack Accessibility.
—The Center is designed to increase the capacity of families and providers to advocate for, acquire, and implement effective assistive and instructional technology (AT/IT) practices, devices, and services.
—The Center is a strong advocate for universally designed instruction. Some Universal Design for Learning features may support better outcomes for students with dyslexia.
—One of the products housed on their Web site is "The CAST Universal Design for Learning Book Builder". This is a program that operates on the assumption that all children have a unique style of learning and that their brains process information differently. This program allows digital books to be created in individualized ways to accommodate different ways of reading and learning.

Results Driven Accountability (RDA)

Since 1975, ED's accountability efforts focused on States' compliance with IDEA program requirements. In the 2004 IDEA reauthorization, Congress shifted the focus to improving educational results and functional outcomes for children. To meet our obligation to focus on outcomes, in 2012 the Department began to develop RDA for making Sec. 616 State determinations. Many States* identified Reading/English Language Arts (ELA) as their area of focus for RDA. States were required to submit Phase I of a comprehensive State Systemic Improvement Plan (SSIP) on April 1, 2015, which included an extensive data analysis leading to selection of an educational outcome for targeted improvement. Those States which have chosen to focus on improving Reading/ELA performance for children with disabilities, including children with dyslexia, will submit Phase II of the SSIP in February 2016, detailing the activities the State will implement to achieve the desired result.

*States that identified Reading/ELA include: AR, AS, AZ, CNMI, CO, CT, DE, FSM, GU, HI, IA, ID, IL, IN, KS, LA, MI, MS, NE, NV, NM, NY, OH, OK, OR, Palau, SC, SD, TN, TX, VI, WA, WI, WY

OFFICE OF ELEMENTARY AND SECONDARY EDUCATION AND OFFICE OF INNOVATION AND IMPROVEMENT PROGRAMS THAT ADDRESS DYSLEXIA

These offices administer programs authorized under Titles I, II, and III of the Elementary and Secondary Education Act (ESEA). Funding provided to States under Title I support the efforts of LEAs and schools serving large numbers of children from low-income families to help ensure that all children meet challenging State academic standards. Under the Title I, Part A, the Department does not direct the use of funds toward certain programs or services. However, if a student with dyslexia is a low- achieving student in a targeted assistance school, ESEA funds could be used to provide direct supplemental services to the student, including services for needs arising from dyslexia. In a schoolwide program, if the school needs-assessment indicated that services or programs for students that have dyslexia are needed to improve the overall academic achievement of the students at the school, then the school could use Title I funds for these services.

States, school districts, and eligible partnerships use Title II, Part A program funds to develop and support a high-quality teaching force through a broad range of evidence-based activities, which may include incentives and support for recruiting, training, and retaining highly qualified teachers of students with disabilities and teaching specialists in core academic subjects who can provide individualized instruction to students with special needs.

In addition, a number of ED programs, including those administered under Titles I, II, and III, help support the integration of educational technology into teaching

and learning. The Department has pointed out in guidance that digital learning can open up new avenues for students with blindness, dyslexia, or other print disabilities to access educational content. In accordance with Section 504 of the Rehabilitation Act of 1973, grant recipients must ensure that all digital learning opportunities are fully accessible.

Striving Readers

These grants provide funding to SEAs, which must make subgrants to LEAs and early learning providers to improve the language and literacy development of disadvantaged students, a category that includes students with disabilities and, by extension, those with dyslexia. The needs of disadvantaged students, which could include students with dyslexia, must be included in the project design.

Innovative Approaches to Literacy (IAL)

The IAL program supports high-quality programs designed to develop and improve literacy skills for children and students from birth through 12th grade in high-need LEAs and schools by using school libraries as partners to improve literacy, distribute free books to children, including students with disabilities (including dyslexia) and their families, and offer high-quality literacy activities. However, the focus of the IAL program is on literacy through libraries, not on specific interventions, such as those for dyslexia.

Teacher Quality Partnership (TQP)

The TQP program, authorized under Title II of the Higher Education Act, as amended (HEA), supports partnerships between universities and high-need school districts that will recruit, train and support new teachers and improve student achievement. We have many TQP grantees that use their funds to prepare teachers to work with students with disabilities broadly. For example, several grantees are preparing teacher residents in special education, and others are offering dual certifications such as Science-Students with Disabilities, and Early Childhood Education and Teacher of Students with Disabilities. Teacher candidates in many TQP programs are learning to select and integrate assistive technologies in the support of students with disabilities both for individual classroom use and in the collaborative development of Individualized Education Plans (IEPs). These technologies include devices such as audio books, including for students with dyslexia, alternative keyboards for students with learning or physical disabilities related to writing, and free-form database software to help students with memory and organizational difficulties.

Teacher Incentive Fund (TIF)

The TIF program, authorized under the Departments of Labor, Health and Human Services, and Education, and Related Agencies Appropriations Act, 2006 (Public Law 109–149), supports efforts to develop and implement performance-based teacher and principal compensation systems in high-need schools. Grantees are using funds for a variety of activities to effectively enhance student achievement so that high-need students graduate from high school fully prepared for college success. For example, grant funds are being used to improve administrator, teacher and counselor effectiveness, including effectiveness of special education teachers.

Supporting Effective Educator Development (SEED)

The Department is authorized to award grants for this competition under Division F, Title III of the Department of Education Appropriations Act, 2012. The primary focus of the SEED program is to train teachers or principals to work in schools with concentrations of high-need students, including students with disabilities. In the fiscal year 2015 SEED competition, applicants will receive competitive preference if they propose to train teachers or principals to work specifically with high-need students, including students with disabilities. Additionally, there are multiple current SEED grantees whose projects are focused on providing professional development to teachers to improve their ability to teach writing and literacy skills. This focus would allow those teachers to better address the needs of students with dyslexia.

Full Service Community Schools

These grants provide funding to school districts or a non-profit in conjunction with a school district to establish wrap around services which include opportunities to assess student learning issues (including dyslexia) and health needs. Based on need, required interventions are provided to students, including support for interventions to address dyslexia.

Promise Neighborhoods

These grants provide funding to non-profit, community-wide partners in collaboration with school districts to improve the educational opportunities for students and families. Diagnostic work, including identification of dyslexia, can be a component of the program. For example, work being done by Northside Achievement Zone matches academic navigators to the needs of students and families. Students and parents with identified health needs are supported with counseling from partner organizations. This helps students to remain in high-quality academic programs and helps parents to stabilize their household.

Race to the Top-District (RTT–D)

The Race to the Top-District (RTT–D) program supports local education agencies in efforts to personalize education for all students. While the program funds are not specifically targeted to students with disabilities, the program prioritizes the strategies, structures and systems needed to support student-focused approaches to teaching and learning that promote excellence and equity for all students. RTT–D grantees are equipping teachers to use a range of collaborative tools and strategies, such as online learning platforms, computers, mobile devices and learning algorithms that deliver instruction and just-in-time intervention tailored to the individual learning needs and goals of each student, with the aim of preparing all students to graduate college- and career-ready.

Race to the Top Early Learning Challenge (RTT–ELC)

RTT–ELC funds support States in increasing the quality of the programs serving children from birth to age 5. States could choose to use funds, for example, to increase the quality of early learning programs which may serve children with dyslexia. Additionally, States could choose to use funds to provide professional development to early childhood educators on addressing the needs of children with dyslexia, share materials and make referrals to parents of children with dyslexia, develop assessments that meet the needs of children with dyslexia, and provide screenings for children with dyslexia.

Preschool Development Grants (PDG)

States who were awarded the grants must ensure quality preschool programs that address the multiple domains of school readiness including language and literacy development. States must also ensure screening and appropriately identifying children with disabilities. States must provide for full inclusion of children with disabilities in the preschool classes, and ensure that the percentage of children with disabilities served in the programs is not less than either the percentage of 3-year-old children served statewide through part B, section 619 of IDEA (20 U.S.C. 1400 et seq.), or the current national average, whichever is greater.

TECHNICAL ASSISTANCE ADDRESSING DYSLEXIA

Question. Please list the number of times over the past several years that the Department has provided technical assistance regarding dyslexia to schools and an estimate of the percentage of those calls in relation to other technical assistance calls received by the Department.

Answer. The Department receives a wide variety of technical assistance requests each year related to the education of children with disabilities. Many of the technical requests received by the Department are related to the implementation of IDEA while others are more specifically related to the provision of services to children with disabilities. These requests generally relate to learning issues (e.g., reading), developmental issues (e.g., early childhood language development) or school climate issue (e.g., schoolwide behavior systems). Additionally, the various technical assistance centers supported by the Department field hundreds of TA requests each year. When the Department receives a request for technical assistance, including best practices for SLDs, the Department generally directs the request to one of the technical assistance providers within OSEP's Technical Assistance and Dissemination network whose scope of work is consistent with the request. Because of the varied scope and nature of all of these requests, the Department does not collect data in such a way as to disaggregate technical assistance requests by disability category, or a subtype of a disability category such as dyslexia.

COSTS ASSOCIATED WITH IMPLEMENTATION OF COLLEGE RATING SYSTEM

Question. The Department of Education recently proposed significant new areas of responsibility: a proposed college ratings system and gainful employment regulations. However, your budget submission does not specify how much these complex new systems will cost to implement and sustain. I respectfully request that you provide the subcommittee: the program name and funding level within each relative program at the Department of Education to develop the college rating concept to date and how much total money the Department has spent on the development of the college ratings, including legal costs and hourly cost of employee or contractor time. Please also include an itemized budget estimate of both the number of FTEs, anticipated legal costs, and money needed to sustain these two systems over the next 2, 5 and 10 fiscal years. If a contractor has been or is in the process of being hired to study or develop any aspect of a college rating system, please list the contractor name and the dollar amount of the contract agreement.

Answer. To date, the Department has spent $1.9 million on the college ratings project. This includes approximately $85,000 on events and outreach to the higher education community and others (e.g., the National Center for Education Statistics (NCES) symposium hosted in February 2014, and the open forums held around in the country in 2013–2014). This also includes $1.8 million spent by the Department for contractor assistance on several components of the project including Web site design. The total value of contractor assistance is $4,053,870 over 3 years. However, this amount would cover the cost of all core and optional activities as proposed by the contractor. The Department is currently working to determine which activities the contractor will carry out. Additionally, the Department is continually assessing what other costs, if any, would be needed in fiscal year 2015 or fiscal year 2016.

It is important to note that the Department does not keep track of the time and portion of an employee's time that is spent on specific projects or assignments. As such, the Department cannot provide an exact accounting of the number of full-time equivalent employment (FTE) that have been assigned to work on the ratings. While the project has been staffed by several employees in the Department, it does not take up 100 percent of any individual person's time. Staff who do work on the ratings project are often given discrete tasks based on their expertise (e.g., data analytics, contract oversight, etc.).

Regulatory Requirement Gainful Employment (GE): $16.6 million

The Department published the GE final rules on October 31, 2014, and the rules will become effective July 1, 2015. FSA will use these funds to collect and validate student information, implement metrics and validation rules, disseminate information related to program performance, and support the challenge process. The 2016 request will be used to procure a system and support to manage student data challenges from institutions, system updates to implement metric calculations, data storage, and enforcement processes on FSA systems. The system and support to manage student data challenges will support GE, as well as other types of data challenges, such as cohort default rate challenges.

FSA also plans to need 30 additional FTE to support the GE regulation. These FTE will be in three areas:

1) management and oversight of the GE metrics (including implementation within FSA systems as described above);
2) review and approval of all GE-related challenges;
3) oversight of school compliance with the GE regulations.

METRIC USED TO CALCULATE DEBT-TO-EARNINGS RATIO

Question. Under the gainful employment regulations, all programs offered at proprietary institutions and certificate and diploma programs offered at traditional institutions of higher education must pass a metric that requires that the estimated annual loan payment for a program's graduates must to be less than 8 percent of their annual gross earnings, as calculated by the Department of Education. According to the Department, the 8 percent represents the maximum amount of non-mortgage debt that mortgagers use to determine the extent of non-mortgage debt that can be sustained outside the mortgage. Recent graduates, in fact, routinely have debt-to-earnings ratios (DTE) well above 8 percent. A recent Department study (NCES: Degrees of Debt, October, 2013) found that the average ratio for bachelor degree graduates at all schools was 13 percent, and 16 percent for such graduates of non-profit schools. Please explain what assessments were used to conclude that 8 percent DTE metric is realistic for institutions of higher education to achieve, con-

sidering that the average ratio for bachelor degree graduates at all schools is at least 5 percent higher.

Answer. As detailed in the Gainful Employment regulation (79 FR 64918–22), the Department engaged in an extensive review and analysis to determine the appropriate thresholds for the gainful employment metrics. The Department reviewed the relevant research (Baum & Schwartz: "How Much Debt Is Too Much? Defining Benchmarks for Managing Student Debt," 2006; Cellini & Chaudhary: "The Labor Market Returns to For-Profit College Education," 2012; Kane & Rouse: "Labor Market Returns to Two- and Four-Year College," (1995); Avery & Turner: "Student Loans: Do College Students Borrow Too Much Or Not Enough?" 2013; and Deming, Goldin, & Katz, "For Profit Colleges," 2013) as well as account lending ratios currently set by the Federal Housing Administration (FHA) and the Consumer Financial Protection Bureau (CFPB). We acknowledged that the research established a range of acceptable percentages for non-housing debt and concluded that 8 percent for education-related debt is well within the range of acceptable debt levels and the standard that is most generally supported.

With respect to the National Center for Education Statistics (NCES) "Degrees of Debt" study, we disagree that it demonstrates that the annual earnings threshold is too low. The NCES methodology for calculating student debt-to-earnings ratios is not comparable to the gainful employment methodology in several key areas and results in higher estimates of debt burden than is observed under the gainful employment debt to earnings (D/E) rates. Specifically, the NCES study does not include students who receive Pell Grants but do not borrow, and looks at earnings 1 year from completion compared to approximately 3 years after completion for the gainful employment rates. Additionally, the gainful employment D/E rates use the higher of mean or median earnings instead of just the means and the median of debt, which makes the D/E rates less sensitive to extremes in high debt or low earnings. Moreover, because the debt component of the gainful employment D/E rate measure is capped at the cost of tuition, fees, books and supplies, the gainful employment measure captures only a portion of the actual total student debt, which may be much higher than 8 percent. As a result of these differences in methodology, the results of the NCES study do not provide a useful basis for evaluating the gainful employment D/E rates thresholds.

STREAMLINE METRICS FOR NOT-FOR-PROFIT-SERVICE PROVIDERS AND TITLE IV ADDITIONAL SERVICERS

Question. In the Consolidated Appropriations Act of 2014, Congress directed the Secretary of Education to report to Congress on its plan to "streamline metrics by which [Not-For-Profit Loan Servicers (NFPs)] and Title IV Additional Servicers (TIVAs) are measured to ensure consistency across all servicing contracts."

TIVAs are required to be compliant with the Common Origination Disbursement System (COD), which is used to interface between the Department of Education, FSA, and colleges/universities and other schools eligible for Federal Student Loans. In its report to Congress subsequent to the 2014 Continuing Resolution, the Department of Education told the Education and Workforce Committee on March 31, 2014, that the Department will require the NFPs to become compliant with COD.

The Department of Education informed my staff that last fall you announced, starting with their first new allocations from COD, NFP servicers will receive 25 percent of all new borrower accounts. The Department stated that "Since the allocation process will be new to the NFPs, this percentage was established to minimize risk to student and parent borrowers by allowing time to ensure that all the NFP servicers are fully able to meet all requirements and expected service levels, including financial reporting and reconciliation, prior to receiving larger volumes of new accounts."

Please explain what assessments were used to conclude that 25 percent of all new borrower accounts was an appropriate allocation the NFPs to measure performance against TIVAs, who were able in the past to compete for a much higher percentage of new borrower accounts. When will the allocation percentage change and what assessments or quality metrics will that percentage reflect?

Answer. On January 1, 2015, we began providing allocations of new borrower accounts to the NFP servicers through the Common Origination and Disbursement (COD) system. Since that point, NFP servicers have received 25 percent of all new borrower accounts. This percentage is not related to measuring the performance of the NFPs relative to the TIVAS; as of this point the portfolios serviced by these two groups of vendors are too dissimilar to support direct performance comparisons. As the allocation process is new to the NFPs, the percentage was established to minimize risk to student and parent borrowers and allow time to ensure that all the

NFP servicers are fully able to meet all requirements and expected service levels, including financial reporting and reconciliation, prior to receiving larger volumes of new accounts. We will re-examine this percentage for the allocation period beginning in September 2015; this examination will reflect servicer performance and operational requirements.

————

QUESTIONS SUBMITTED BY SENATOR PATTY MURRAY

OFFICE OF CIVIL RIGHTS AND STUDENT SAFETY ON COLLEGE CAMPUSES

Question. Secretary Duncan, we discussed during the hearing the importance of increasing funding for the Office for Civil Rights, reducing the backlog of complaints and supporting every effort to improve student safety at colleges and universities around our Nation. However, we did not get to talk about how your Department's efforts fit into the Administration's overall work on safer campuses. Would you please describe the Administration's overall strategy in this area?

Answer. Ensuring that schools are safe places for teaching and learning is a priority for President Obama, the Administration, and the entire Nation. Notably, in 2014, the President convened the White House Task Force to Protect Students from Sexual Assault. The first Task Force report to the President, issued in April 2014, provided useful information to help address and prevent sexual assault in higher education and coincided with the creation of NotAlone.gov, a resource hub for students, parents, and stakeholders on the same topic. Under the White House's leadership, the Department of Education contributed actively to the Task Force and to the development of the NotAlone.gov Web site.

At the Department of Education, we know that for students to have the best chance for academic success, it is imperative to create safe school climates that support active academic engagement through comprehensive, evidence-based supports for students' physical, mental, and behavioral well-being. One of the Department of Education's core strategic objectives, therefore, is to increase the success, safety, and health of students, particularly in high-need schools, and deepen family and community engagement. Another, related strategic goal of the Department is to increase educational opportunities for underserved students and to reduce discrimination and other barriers to learning and achievement including the lack of equitable, safe and healthy learning environments so that all students are well-positioned to succeed.

Enforcing the laws is one critical component of the Department's strategy to ensure greater equity and safety for students. The Office for Civil Rights (OCR) and the Federal Student Aid Office (FSA) enforce laws to ensure safety for students across the Nation. OCR is responsible for enforcement of Title IX of the Education Amendments of 1972, which protects students from discrimination based on sex (including sexual harassment and violence). OCR also enforces Title VI of the Civil Rights Act of 1964, Section 504 of the Rehabilitation Act of 1973, and Title II of the American with Disabilities Act of 1990, to ensure student safety and freedom from violence and harassment based on race and disability (in addition to sex). FSA enforces the Clery Act, which applies to postsecondary institutions. The Clery Act requires schools to provide crime statistics and policies to their students, employees, and potential students and employees and to submit crime statistics to the Department. In addition, schools must issue timely warnings and emergency notifications to the campus community. In 2014, the Department published final regulations to implement the changes to the Clery Act included in the Violence Against Women Reauthorization Act of 2013. Those regulations require expanded reporting by schools for incidents of sexual assault, domestic violence, dating violence, and stalking; require institutions to provide training for students and employees in areas such as primary prevention and bystander intervention; and require schools to provide additional protections for students involved in disciplinary proceedings relating to sexual assault, domestic violence, dating violence, and stalking. FSA and OCR share, where appropriate and possible, information about complaints, investigations, and expected resolutions or determinations. And where appropriate, if FSA and OCR are both investigating the same institution of higher education (IHE), they coordinate and share work plans, interviews of complainants and institutional officials, and public activities to minimize duplication of effort and burden on complainants and institutions and to ensure student safety.

To support schools and districts, the President's fiscal year 2016 budget request for the Department includes a $90 million request for Safe and Drug-Free Schools and Communities National Activities to support key initiatives in the President's Now is the Time plan, which sets forth several proposals to ensure student safety (including the addition of new resource officers and counselors, better emergency re-

sponse plans, and more nurturing school climates). Key activities under this request include $62 million (of which $15 million would support an estimated 30 new awards) for School Climate Transformation Grants, and related technical assistance, to help schools train their teachers and other school staff to implement evidence-based behavioral intervention strategies to improve school climate; and $15 million for Project Prevent continuation grant awards to local educational agencies (LEAs) to help schools in communities with pervasive violence break the cycle of violence. Funds would also be used to help LEAs and IHEs recover from emergencies under Project SERV (School Emergency Response to Violence), and for evaluation, data collection, dissemination, outreach, and related forms of technical assistance. The President's fiscal year 2016 budget request also includes $49.6 million for the Elementary and Secondary School Counseling program, which would allow approximately 149 LEAs to hire or train qualified school counselors, school psychologists, child and adolescent psychiatrists, and school social workers to provide students with counseling services that provide benefits for both students and teachers by helping to create a safe school environment, improve teacher effectiveness and classroom management, increase academic achievement, and promote student well-being and healthy development.

More broadly, the Department is continuing its work with numerous agencies, including the U.S. Departments of Justice, Health and Human Services (HHS), and Homeland Security (DHS) and the Federal Emergency Management Agency (FEMA), to help ensure that schools remain among the safest places in our communities and to provide students the supports they need to succeed. In response to Now is the Time, the Department's Office of Safe and Healthy Students (OSHS), in collaboration with HHS, DOJ, FEMA, and DHS, OSHS developed a "Guide for Developing High-Quality Emergency Operations Plan for Institutions of Higher Education." OSHS also represents ED on DHS' Higher Education Academic Advisory Council, which provides advice and recommendations to DHS senior leadership on matters related to homeland security and the academic community. In addition, OSHS is active with the National Security Council's Combatting Violent Extremism and Active Shooter Preparedness sub-Interagency Policy Committee which considers roles and responsibilities, guiding principles, and how best to coordinate and synchronize efforts across government. OSHS also supports two technical assistance centers offering training and technical assistance to colleges and universities: The Readiness and Emergency Management for Schools Technical Assistance Center, which supports schools and IHEs with the development and implementation of high-quality emergency operations plans, and the National Center on Safe Supportive Learning Environments, which provides training and support to IHEs around issues such as harassment, violence, substance abuse prevention, and hazing.

OFFICE OF THE INSPECTOR GENERAL

Question. Mr. Secretary, I know you appreciate the important role that the Inspector General plays in identifying issues in the Department's programs and operations, and helping ensure that taxpayer dollars are not wasted. There are a number of open recommendations that your Department has not yet fully implemented. Would you please describe your plan for completing timely actions on these recommendations?

Answer. We believe independent oversight is a critical tool to help the Department achieve our program goals. We consider the Office of the Inspector General (OIG) to be a key partner in helping the Department identify challenges and strengthen our operations. We also take great pride in the progress we have made implementing OIG recommendations to improve our work and the work of our grantees:

—Through sustained efforts over several years, the Department has successfully eliminated the backlog of overdue internal audits of our operations. As of the end of April 2015, we have no overdue unresolved OIG audits.

—We continue to make progress addressing key management challenges. In 2013, the Department successfully remediated two material weaknesses relating to the large-scale information technology system conversion in Federal Student Aid. In addition, while grant monitoring at the State and local levels remains a challenge, the OIG's 2014 report on the Race to the Top program reflects some of our good progress.

—The Department also made great strides reducing the backlog of overdue external audits of our grantees. As of the end of April 2015, we have only 11 overdue unresolved OIG audits. That is a substantial reduction from the number of overdue audits the Department has carried in prior years. In addition, the Depart-

ment closed 23 audits for Federal Student Aid programs during the first 6 months of fiscal year 2015, including an audit that had been open for 17 years.

This progress is the direct result of the Department making audit follow up a top management priority and implementing several key efforts to help ensure timely corrective action:

—We ensure accountability and measure progress through a key metric in our Strategic Plan as well as annual performance metrics for each office. These metrics establish targets for audit resolution and corrective action implementation.

—We use monthly dashboards to monitor progress as well as identify and address challenges to resolution and closure of audits.

—We established an internal governance panel, including an advisory representative from the OIG, to help identify and address key audit challenges and process improvements.

—We made strategic hiring decisions to staff audit follow up work and have taken other steps to strengthen the audit follow up process and speed corrective action, including more proactive engagement with the OIG in areas of disagreement.

ADMINISTRATIVE DATA SETS FOR PROGRAM EVALUATION AND IMPROVEMENT

Question. Congressman Paul Ryan and I have proposed a commission that would make recommendations about how to better utilize administrative data in the evaluation and improvement of Federal programs. Would you please describe work currently being done by agencies of your Department to harness the power of administrative data sets for program evaluation and improvement? Also, please describe efforts in this area proposed or planned for fiscal year 2016.

Answer. The Department of Education routinely uses administrative data for a wide range of statistical purposes to inform planning and policymaking, including evaluations to track student and teacher outcomes and to estimate the impacts of programs and interventions supported by Federal investments. Administrative data has many advantages: it is often less costly and burdensome to collect, and it captures a wider group of students more accurately than self-reported data, enabling policymakers to draw stronger conclusions about a population.

Most often, the administrative data used in the Department's evaluations are from State or district longitudinal data systems. Some data used in these studies are obtained directly through a Memorandum of Understanding with States or districts participating in an evaluation, while some data are obtained from the Department's Integrated Postsecondary Education Data System (IPEDS) or the EDFacts database, which includes datasets from the Common Core of Data (CCD), the Consolidated State Performance Reports (CSPR), and the Civil Rights Data Collection (CRDC).

In 2010, in response to growing recognition across the Department that administrative data are critical assets for the Department and the public, the Department established a Data Strategy Team (DST), composed of the National Center for Education Statistics (NCES), the Office of Management, and the Office of Planning, Evaluation, and Policy. Since its inception, the DST has improved internal coordination and communication, initiated new data documentation procedures within a consolidated data inventory, and established a Department of Education Disclosure Review Board to ensure that privacy in administrative data files is protected. In addition to creating the DST, the Department has taken a number of actions that support the increased use of administrative data for evaluation and other statistical purposes, including creating and making publically accessible an Education Data Inventory (EDI), which is a centralized, searchable catalog of the metadata collected by the Department, and exploring how NCES's data resources can be better utilized within the collections and operations of other Departmental entities.

In recent years, the Department has used administrative data to examine topics as varied as changes in the inclusion of students with disabilities in State accountability systems, the distribution of effective teaching, and the impact on student achievement of different certification pathways to teaching, as described below. During fiscal year 2016, the Department plans to continue using administrative data in many studies, including the impact study of the Teacher Incentive Fund and the study of the Scholarships for Opportunity and Results (SOAR) Act. The Administration's budget request for fiscal year 2016 also includes increased funding for NCES to allow for more frequent collection of student financial aid administrative data and enrollment records, as well as an increase for the Statewide longitudinal data systems program, which would enable States to promote the effective use of high quality administrative data to improve education and workforce outcomes.

Examples of recent or ongoing Department activities that have used administrative data are:

—*Alternative routes to teacher certification*.—Data from the CCD were used to supplement a congressionally-mandated data collection on the number of highly qualified teachers who are currently enrolled in alternative routes. The use of the CCD data allowed the Department to simplify the data collection and reduce burden on States.

—*Descriptive study of distribution of effective teaching*.—This study used entirely administrative data from 29 school districts to examine whether economically disadvantaged students had systematically less access to effective teachers. See the report at: http://ies.ed.gov/ncee/pubs/20144010/index.asp.)

—*Educator equity profiles*.—CRDC data were used in the preparation of State-level educator equity profiles that include information on teacher experience, certification, absenteeism, and average salary. The profiles compared these teacher characteristics in high- and low-poverty schools, and in schools with high and low concentrations of minority students, in each State. The profiles were intended to provide States with an example of how to analyze and display data related to gaps in teacher equity in the State as a whole and in specific districts.

—*The National Assessment of Career and Technical Education (NACTE)*.—The final report for this congressionally-mandated study included analyses of extant data from State performance reports as well as from NCES longitudinal and cross-sectional studies. For example, the analysis of State performance report data examined math and English/language arts proficiency rates and graduation rates for CTE concentrators as well as for all students.

—*National Postsecondary Study Aid Study (NPSAS)*.—This study, conducted with the Office of Federal Student Aid (FSA), helps to fulfill the NCES mandate to collect, analyze, and publish education-related statistics and is the primary source of information to analyze student financial aid and inform programs such as the Pell grants and Stafford loans. NCES successfully expanded the use of administrative data to improve data quality, reduce burden on respondents, and promote administrative efficiency.

—*Priority schools and focus schools*.—CSPR and CCD data were used to examine identification of priority schools and focus schools and support provided under ESEA Flexibility. The Office of Elementary and Secondary Education is using the findings to target technical assistance to States, and the Office of Planning, Evaluation and Policy Development is using them to inform recommendations for ESEA reauthorization.

—*Study of the impact of Teach for America and The New Teacher Project (TNTP) on secondary math achievement*.—This study used student test scores and other information from administrative data to examine whether achievement of students who were taught by teachers from Teach for America or TNTP was greater than students taught by teachers from other routes. This has provided important information on whether alternative certification pathways are a viable option for bringing new teachers to the profession. See the brief at: http://ies.ed.gov/ncee/pubs/20134015/pdf/20134021.pdf.

—*Study of inclusion of students with disabilities (SWD) in accountability systems*.—This study used EDFacts data for 44 States and the District of Columbia to examine changes in the percentages of schools that were accountable for the SWD subgroup, the types of schools that were accountable, and the percentage of accountable schools that were identified for school improvement. See the report at: http://ies.ed.gov/ncee/pubs/20134017/.

Examples of planned or proposed Department activities that will use administrative data in fiscal year 2016 are:

—*Evaluation of the Pell Grant Experiments under the Experimental Sites Initiative*.—This evaluation will determine the impact of providing Pell grants to income-eligible students engaged in shorter-term training than current allowed under Federal financial aid rules. To keep evaluation costs very low, all of the data on student characteristics and outcomes comes from administrative records, such as participating colleges' electronic transcripts, the Department's internal financial aid records, and employment and earnings information through a match with the Social Security Administration's files. See the study at http://ies.ed.gov/ncee/projects/evaluation/pathways_pell.asp.

—*Improving the quality and use of performance data*.—Through the Data Quality Initiative (DQI), the Department is documenting requirements and rationales for administrative data collected by elementary and secondary programs and

has also conducted analyses of longitudinal ESEA Title III grantee data to inform improvements to performance measures and targets.

—*Impact Evaluation of Support for Principals*.—This study will examine the impact of providing professional development for principals on teacher retention, the effectiveness of instructional staff, and student achievement. Beginning in fiscal year 2016, the study will collect administrative records on student outcomes including achievement, behavior, and attendance as well as teacher outcomes (retention of effective teachers and quality of newly hired teachers). See the study at http://ies.ed.gov/ncee/projects/evaluation/tq__principals.asp.

—*Impact Evaluation of Teacher and Leader Evaluation Systems*.—This study uses student administrative records in concert with other study administered surveys and observations to assess the impact of using educator performance measures to provide systematic feedback to guide instructional improvement. This study would not have been feasible without access to administrative records and the cooperation of the participating districts. See the study at http://ies.ed.gov/ncee/projects/evaluation/tq__performance.asp.

—*Impact evaluation of the Teacher Incentive Fund*.—Key questions in this set of studies are whether performance bonuses impact student achievement and teacher mobility and retention. Use of student administrative records eliminated the need to conduct additional student testing, both economizing on data collection costs as well as minimizing burden on participating schools and students. Educator administrative records have allowed the evaluation to look at the impact of the program on teacher performance and teacher mobility within the district. This study will continue to collect administrative data in 2016. See the study at: http://ies.ed.gov/ncee/projects/evaluation/tq__incentive.asp.

—*Impact evaluation of the Scholarships for Opportunity and Results (SOAR) Act*.—This evaluation uses administrative data on characteristics of students and schools. See the study at: http://ies.ed.gov/ncee/projects/evaluation/choice__soar.asp.

—*National Longitudinal Transition Study, 2012 (NLTS, 2012)*.—This study is examining the characteristics, experiences, and outcomes of youth with disabilities. In addition to surveys administered while students were in high school, the study will obtain data from high school transcripts (courses, attendance, completion), the National Student Clearinghouse (college enrollment and persistence), internal Department financial aid records (financial aid application and receipt), and the Social Security Administration (vocational rehabilitation services, employment, earnings). See the study at http://ies.ed.gov/ncee/projects/evaluation/disabilities__ideatrans.asp.

—*Statewide longitudinal data systems (SLDS)*.—In fiscal year 2015, the Department will award grants to States to support the collection and use of administrative data within their SLDS to improve education and workforce outcomes. An increase for the SLDS program was requested in the Administration's fiscal year 2016 budget to support new grant awards in 2016.

—*Study of the Distribution of Effective Teaching*.—This study is solely based on student administrative records and is examining the equitable distribution of teachers across schools within districts. See the study at: http://ies.ed.gov/ncee/projects/evaluation/tq__distribution.asp.

—*Study of Enhanced College Advising in Upward Bound*.—This study is assessing the effectiveness of a low-cost, college advising approach designed to improve college fit and persistence among Upward Bound participants. The study relies on records provided to the Department by Upward Bound programs as part of their Annual Performance Reporting (student participation and characteristics), the National Student Clearinghouse database (college enrollment and persistence), and the Department's internal financial aid records (FAFSA completion and aid receipt). See the study at: http://ies.ed.gov/ncee/projects/evaluation/pathways__upward.asp.

In addition, the Department, in conjunction with the Department of Labor, recently published joint draft regulations for implementing the Workforce Innovation and Opportunity Act including provisions that would expand the use of and improve the quality of administrative data for managing performance and conducting evaluations. A key concept in the proposed regulations is the importance of leveraging administrative data and sharing or exchanging data across partner programs.

QUESTIONS SUBMITTED BY SENATOR RICHARD J. DURBIN

RESPONSE TO REQUEST TO DISCHARGE FEDERAL STUDENT LOAN DEBT OF CORINTHIAN STUDENTS

Question. On December 9, 2014, I joined Senator Elizabeth Warren and others in writing to you about defenses to repayment for Corinthian students. The letter, echoed recently by 10 State Attorneys General, asked the Department to use its existing authority to discharge Federal student loan debt for Corinthian students and to establish a procedure for students to assert a defense to repayment. When can we expect a response to that letter?

Answer. We are in the process of responding to your letter. We have been working to develop a process for addressing the large influx of borrower defense claims. Our goal is to provide a simple, transparent system to ensure that borrowers receive all relief to which they are entitled. Our delay in responding to your letter is due to our desire to be able to give a more complete answer to your question.

NUMBER OF CORINTHIAN STUDENTS REQUESTING DISCHARGE

Question. More recently, it is my understanding, that the Department has received hundreds of defense to repayment applications from former Corinthian students. I ask the Department to provide data about the number of applications for defense to repayment from Corinthian students that it receives and accepts, leading to a discharge.

Answer. As of May 8, 2015, the Department has received approximately 1,000 applications for defense to repayment from Corinthian students. As noted in response to the previous question, we are working to develop a process for addressing these claims.

FEDERAL STUDENT LOAN DISCHARGE FOR HEALD STUDENTS

Question. On April 14, 2015, the Department took enforcement action against Corinthian's Heald brand schools. Given the Department's findings of misrepresentation by the schools, are current or former Heald students eligible for Federal student loan discharge and what process will the Department use to provide it to them?

Answer. Students who were enrolled in a school that closed abruptly are eligible for discharge. Closed school discharge is listed with other discharges in statute (20 U.S.C. 1087(c)). Those students who were enrolled in the school or withdrew within 120 days of the closing without completing their program automatically qualify for discharge. The regulation requires that the Department mail an application for closed school discharge to all students who appear to have been enrolled within 120 days if their address is known, and to attempt to reach students whose address is not known. In addition, the Department has reached out to those students to inform them of their rights and options, and has instructed servicers to proactively contact students as well.

As discussed above, other than a discharge, many students may have a defense to repayment of their loan available. While the specifics of that process are not finalized, borrowers may at any time assert such a claim.

TITLE IV FUNDS TO CORINTHIAN COLLEGES

Question. Between the signing of an Operating Agreement with Corinthian Colleges, Incorporated on July 8, 2014 and the acquisition of 53 Everest and WyoTech campuses by ECMC on February 2, 2015, how much Title IV money was disbursed to Corinthian Colleges, Incorporated? How much in loans? How much in Pell Grants?

Answer. Approximately $576.2 million in Title IV funding was disbursed to Corinthian Colleges between July 8, 2014 and February 2, 2015. Of this amount, $376.4 million was in Direct Loans and $195.9 million was in Pell Grants, with the remaining amount in other Title IV programs.

NUMBER OF STUDENTS ENROLLED IN CORINTHIAN COLLEGES

Question. Between the signing of an Operating Agreement with Corinthian Colleges, Incorporated on July 8, 2014 and the acquisition of 53 Everest and WyoTech campuses by ECMC on February 2, 2015, how many new students were enrolled by Corinthian Colleges, Incorporated?

Answer. According to information reported to the Department through the National Student Loan Data System (NSLDS), 25,164 students had a first aid-reported enrollment in a Corinthian Colleges, Incorporated institution between July 8, 2015

and February 2, 2015. NSLDS receives information for Title IV aid recipients only; therefore, a student must have received Title IV aid in order to be included in the results. The counts provided do not imply current enrollment.

CORINTHIAN COLLEGES' RECEIPT OF TITLE IV FUNDS SINCE FEBRUARY 2015

Question. Since the February 2, 2015, acquisition of 53 Everest and WyoTech campuses by ECMC, how much Title IV money has been disbursed to schools remaining under the ownership of Corinthian Colleges, Incorporated?

Answer. Approximately $57.7 million, of which $44 million was in Direct Loans and $13.2 million was in Pell Grants and the remainder in other Title IV programs, has been disbursed to schools remaining under the ownership of Corinthian Colleges, Incorporated, between February 2, 2015 and April 24, 2015.

CORINTHIAN COLLEGES' STUDENT ENROLLMENT SINCE FEBRUARY 2015

Question. Since the February 2, 2015, acquisition of 53 Everest and WyoTech campuses by ECMC, how many students have been enrolled at schools remaining under the ownership of Corinthian Colleges, Incorporated?

Answer. According to information reported to the Department through the National Student Loan Data System (NSLDS), 804 students had a first aid-reported enrollment in an institution remaining under Corinthian Colleges, Incorporated ownership since February 2, 2015. NSLDS receives information for Title IV aid recipients only; therefore, a student must have received Title IV aid in order to be included in the results. The counts provided do not imply current enrollment.

OVERSIGHT OF FOR-PROFIT COLLEGES

Question. Is the Department concerned that other major for-profit colleges are in danger of failing and repeating the Corinthian experience? What new steps are you taking to improve oversight to catch violations or financial problems earlier in the future?

Answer. The Department is concerned about a repeat of what happened in the Corinthian case, and more broadly, about ensuring that borrowers are protected earlier in the process from unscrupulous institutions and deceptive practices. This is why we are looking into various ways to improve oversight of institutions and to better evaluate the risks they pose. Those efforts include strategies for enhancing interagency collaboration on oversight efforts, including State authorizing agencies that are in many ways the front-line of defense against dishonest programs and institutions.

INTERAGENCY TASK FORCE ON FOR-PROFIT COLLEGES

Question. In October 30, 2014, the Department announced it would establish an interagency task-force on for-profit colleges based on the Proprietary Education Oversight Coordination Improvement Act. Can you please provide an update on the status of that group and when it will hold its first formal meeting as a group?

Answer. As we seek to make the best use of scarce resources and better protect the interests of students and taxpayers, the Department is actively engaged in preparations to formalize an interagency task force to help ensure proper oversight of for-profit institutions of higher education. Building on collaborative enforcement, consumer protection, and compliance work that has been underway among our agencies for over a year, the Department is already taking care to conduct meetings with agency partners to explore plans and opportunities for this significant, expanded work together. Examining a variety of resources, we are also in the process of developing an initial framework for leveraging resources and expertise across task force participants, as well as scoping implementation activities. Our goal is to hold the initial formal meeting of the task force this spring.

FEDERAL STUDENT LOAN PROGRAMS DATA

Question. On March 20, 2015, an article entitled "We're Frighteningly in the Dark About Student Debt" by Susan Dynarski appeared on the New York Time's website highlighting the frustrating lack of data available on the Federal student loan program. Please provide your reaction to this article and any steps the Department is taking to better collect, analyze, and publish data on the Federal student loan program.

Answer. The Department strives to make reliable and useful data and information available to a wide range of users while maintaining appropriate privacy safeguards. We are fully cognizant of the fact that different consumers may value different elements of college choice, student outcomes, and loan portfolio performance

differently, so we try to make data available for them to evaluate those elements for themselves. Since 2009, the Department has proactively posted information about the Title IV programs to the FSA Data Center, available at www.FSADataCenter.ed.gov. FSA's Data Center currently offers robust information about applications for Federal student aid, disbursements, and the outstanding loan portfolio in addition to school compliance reports and relevant contract information. The Department continues to look for opportunities to expand the data made available on the FSA Data Center while protecting the privacy of our customers. As part of its fiscal year 2016 budget request, the Administration sought $11.6 million for the Enterprise Data Warehouse and Analytics project ("EDW&A"). EDW&A is an initiative to create an enterprise capability that provides timely, accurate, and consistent access to FSA lifecycle data. This will be achieved through a multi-phase approach with various vendor support for requirements documentation, development, and deployment. During fiscal year 2015, phase 1 of EDW&A will include creation of an enterprise data warehouse containing major FSA lifecycle data and the architecture to support the robust reporting and analytical tools. The benefits of the EDW&A initiative will improve reporting analysis by decreasing resource constraints currently placed on NSLDS and other operation systems. The 2016 request includes $1.6 million to support continual operations and maintenance for phase 1 and $10 million for development work, including efforts to incorporate additional student aid life cycle and external data to better inform analytical efforts and responsibly make student aid data more accessible for large scale research by external stakeholders.

IMPROVE PROTECTION FOR STUDENT LOAN BORROWERS

Question. Last month, the President issued a memorandum directing the Department, Treasury, and the Consumer Financial Protection Bureau to improve protections for student borrowers, touching on servicing, debt collection, and bankruptcy. Can you discuss progress you've made implementing the memo thus far?

Answer. We are in the process of developing an Enterprise Complaint System to address the student feedback system referred to in the Student Aid Bill of Rights. We are currently developing detailed requirements for the system and expect to begin building the system in the fall. The system is expected to be phased into production for customers starting in 2016.

CENTRAL POINT OF ACCESS FOR FEDERAL STUDENT LOAN BORROWERS

Question. What is your estimated timeline to "establish a centralized point of access for all Federal student loan borrowers in repayment, including a central location for account information and payment processing for all Federal student loan servicing, regardless of the specific servicer" as required by the memo?

Answer. Regarding a single point of access for all Federal student loan borrowers in repayment, the Department is in the early stages of an acquisition to re-compete its student loan servicing contracts. A request for information was issued in December 2014, responses to which are currently under review. Detailed procurement plans are still under development but the next steps in the process are expected to begin later in 2015, with new awards likely to occur in 2016. The single point of contact will be one of the requirements of these new awards and will be rolled out as the new vendor or vendors come on line.

————

QUESTIONS SUBMITTED BY SENATOR JACK REED

EQUITY AND EFFECTIVE SCHOOL LIBRARY PROGRAMS

Question. The Office of Civil Rights (OCR) collects critical data on resource equity in our public schools. This data collection requires schools and school districts to report on expenditures and staffing for school libraries. At the same time, the Department has not appeared to provide support, guidance, or encouragement across its programs to build State and local capacity for implementing effective school library programs. The Administration has consistently recommended eliminating Federal funding for programs that support school libraries, and then took several months to post the results on its website of the grants awarded under the Innovative Approaches to Literacy program, which is an appropriated fund for school library and literacy initiatives.

What specific actions can and will the Department take to ensure that students in high need schools have access to effective school library programs?

Answer. The Department supports an approach to teaching and learning that will prepare all students for the demands of the 21st Century. In many cases, this

means promoting innovative ways to access all types of reading materials. Further, the Department recognizes that school libraries are in transition during the Internet-enabled digital age, and that States, school districts, schools, and communities are adopting a wide range of strategies to best meet local needs. Our proposed fiscal year 2016 budget includes programs that explicitly support literacy instruction (such as Striving Readers), programs that aim to support effective integration and use of technology that can be used to access virtual libraries and other valuable resources for learning, (such as E2T2 or Ready-to-Learn), and various funding sources that could support school personnel librarians or media specialists.

TEACHER EQUITY PLANS

Question. In the fiscal year 2013 Continuing Appropriations Resolution, the Department was required to report to the Labor, HHS, and Education Appropriations Subcommittee the extent to which students in certain categories are taught by teachers deemed highly qualified pursuant to 34 CFR 200.56(a)2(ii) by State and local educational agencies. This report is now more than 1 year overdue. In the meantime, the Department has asked States to submit State educator equity plans by June of this year. These plans will not be informed by the data from the long-overdue report. Furthermore, in the guidance that the Department has provided to States regarding the development of their equity plans, the Department encourages them to define "inexperienced teacher" as a teacher in his or her first year. Current law defines "beginning teacher" as a teacher who has taught "for less than a total of 3 complete school years." The Department's action seems to lower the standard for equity.

When will the required report on the distribution of teachers deemed highly qualified be available? Why is the Department not encouraging States to use the data from this report in the development of State educator equity plans? And why is the Department recommending lower standards for teacher experience, which could result in less equitable access to experienced teachers for disadvantaged students?

Answer. We expect to release the report in spring 2015. In recent guidance, we said that each State should use a wide range of data in developing its plan to ensure equitable access to excellent educators. For example, the Department encouraged each State to carefully review the data submitted by its school districts for the Civil Rights Data Collection, district level per-pupil expenditures the State has submitted to the National Center for Education Statistics via the F–33 survey, as well as data that the State has submitted to EDFacts regarding classes that are taught by highly qualified teachers, and any other data that are high-quality, recent, and relevant. In particular, we said that States would likely have additional data, including data on teacher and principal turnover rates or effectiveness ratings, based on the significant work in most States over the past few years to create and update longitudinal data systems. This guidance is available at http://www2.ed.gov/programs/titleiparta/equitable/eafaq2014.doc.

VALUE ADDED MEASURES

Question. As part of Race to the Top and as a requirement for NCLB waivers, the Department has required States to include "student growth as a significant factor" in educator evaluations. The Department is also proposing to require student growth measures to evaluate teacher preparation programs. The implementation of this requirement has resulted in the broad use of value-added measures, which are the primary method for measuring student growth, in educator evaluation systems. Research has shown the challenges with using value-added or student growth measures for high stakes decisions. The measures are unstable and often biased or inaccurate for teachers that teach certain groups of students. The value-added results show correlation and not causation. They do not provide formative feedback to educators, and they could trigger unintended consequences such as more intensive test preparation rather than well-rounded instruction.

Given the evidence-base and the potential for negative consequences, why has the Department approved grants and waivers to support these policies? Does the Department plan to advise States to reduce the potential for the negative consequences, and if so, how?

Answer. Race to the Top (RTT) and other ED initiatives have encouraged the field to go further in designing and implementing teacher and school leader evaluation and support systems that use multiple measures, including student growth as a significant factor, and that provide clear, timely, and useful feedback, including feedback that identifies needs and guides professional development. States and districts have had discretion to adopt their own method of calculating student growth and to determine what is "significant." They have also have discretion to determine what

additional multiple measures to use. For instance, States include measures such as lesson plan preparation, student surveys, family engagement, professional growth activities, and strategies to instruct students with diverse needs.

Developing and implementing educator evaluation and support systems is critical but challenging work. The Department has provided guidance to help States and districts ensure that these systems provide accurate, reliable, and useful information to support improved instruction. For example, in "Measuring Teacher Effectiveness Using Growth Models: A Primer," the Department's Reform Support Network discussed important differences between student growth models and highlighted that selecting a model involves thinking carefully about what types of decisions will be made with the results and what model will provide the best information for these decisions. This guidance is available at https://www2.ed.gov/about/inits/ed/implementation-support-unit/tech-assist/measuring-teaching-matters.pdf.

We have consistently required States and districts to engage stakeholders and communities in the development of all of its policies, including the development of teacher and leader evaluation and support systems. Finally, we have encouraged States and districts to engage in a process of continuous improvement that leads to refinements in their evaluation and support systems.

ADULT EDUCATION

Question. In the budget justification documents, the Department makes a very strong case for the need to increase investment in adult education. Yet, the budget request includes only level funding for the State formula grant program. Under the Administration's request the program would be funded $27 million below its funding level in fiscal year 2011 and far below the $622 million authorized for fiscal year 2016 under the Workforce Innovation and Opportunity Act that was signed into law last year. How does the Department plan to address the growing need for adult education with dwindling resources for the basic State grant program?

Answer. In addition to maintaining funding for the formula grant program, the Budget's proposed increase under the Adult Education National Leadership Activities would support activities that would lead to greater efficiency in the provision of services to adult learners, allowing both Federal and State investments to go further.

The Workforce Innovation and Opportunity Act requires that Unified State Plans describe how the State will align content standards for Adult Education with State standards under the Elementary and Secondary Education Act. The budget includes funding to help States meet this requirement, which should lead to the more efficient delivery of services by local providers to help adult learners become ready for employment, economically self-sufficient, and more engaged as citizens.

The Administration has also proposed additional support for States in their collection and reporting of data. This would allow States to redirect scarce resources toward other administrative improvements and State leadership activities such as professional development and technical assistance to local providers.

————

QUESTIONS SUBMITTED BY SENATOR JEANNE SHAHEEN

HIGH QUALITY STEM ACTIVITES AND AFTER SCHOOL PROGRAMS

Question. What programs has the Department of Education created, or supported, to put structures in place that support afterschool program providers to offer high quality STEM programs that engage students in STEM fields and build STEM-relevant skills and proficiencies for the 21st century workforce?

Answer. High-quality afterschool STEM activities can reach young people, especially if they give students exciting opportunities that connect to learning during the school day. We have supported afterschool STEM projects primarily under the 21st Century Community Learning Centers (21st CCLC) program and through related national activities. For example, our online professional learning and technical assistance for 21st CCLC projects (https://www.y4y.ed.gov/) includes a broad range of ready-to-use and customizable resources for local 21st CCLC providers to learn about and launch STEM programs and coordinate with school-day partners.

In addition, with national activities funds, the Department is collaborating with the National Aeronautics and Space Administration (NASA), the Institute of Museum and Library Services, and the National Park Service (NPS), to provide models and carry out descriptive studies of high-quality afterschool STEM program implementation while bringing STEM content and interactions with STEM professionals to students outside of the regular school day. These efforts engage children and youth in STEM experiences by providing authentic content and opportunities to

interact with STEM professionals. They also introduce students to new concepts and skills and help students see real-life applications of what students are learning in school. For examples, please see information about the ED–NASA initiative, including videos of student projects, online at http://www.ed.gov/blog/2014/01/working-together-to-build-tomorrows-stem-workforce/. These interagency collaborations also support STEM education goals established by the Administration's Committee for STEM Education (CoSTEM).

EDUCATION TECHNOLOGY STATE GRANTS

Question. I understand that your budget request proposes $200 million for Education Technology State Grants. How do you envision this proposed program differing from the funds that were cut from the Enhancing Education Through Technology program? I also have concerns that the budget proposal would encourage States to provide competitive subgrants to districts that can serve as "model districts." How do you propose ensuring that all school districts can share in the benefits of such opportunities?

Answer. The Administration's ConnectED Initiative, which includes investments by the Federal Communications Commission as well as private sector contributions, aims to significantly expand access to the Internet in the Nation's schools. The fiscal year 2016 request for Educational Technology State Grants would support a simultaneous effort to help ensure that teachers and leaders are prepared to use the technology to improve professional learning and deliver personalized instruction.

Based on the Department's experience implementing this program when it was previously funded, the Administration is seeking appropriations language to make important programmatic improvements. In particular, the new appropriations language would: (1) require SEAs to award 100 percent of subgrant funds competitively; (2) target subgrant awards to applicants with existing technology capacity, including connectivity and devices; (3) promote evidence-based practices; (4) limit local spending on hardware and instead focus on supporting teacher professional development and coaching; and (5) ensure that all States are able to reserve sufficient funds to support meaningful State-level activities.

The Administration's request will help State leaders create more models of effective technology use in their districts while also promoting efforts to share effective practices statewide. Under the new appropriations language, States would make competitive subgrants to districts that have basic technology infrastructure and that commit to using evidence-based strategies where possible. The requested funding would also build State capacity to identify and scale up effective strategies from model districts to all districts in the State. This is critical to help ensure that new infrastructure is used in a way that will be meaningful for students and educators.

STUDENT AID BILL OF RIGHTS

Question. As you may know, earlier this year, I reintroduced the Simplifying Access to Student Loan Information Act. My legislation would incorporate private student loan debt information into the National Student Loan Data System, which currently contains information about a borrower's Federal student loan debt. Further, I know that in the Presidential Memorandum issued in March establishing a "Student Aid Bill of Rights," the President calls for a "centralized point of access for all Federal student loan borrowers in repayment." I understand that Congressional action will be necessary to enact a change to include private student loans in the system, but am curious if your Department has explored pathways that the agency can take, such as a study to examine what capacity might be needed to make such a change, for the benefit of borrowers, especially as you develop plans related to the President's memoranda?

Answer. The Department has not conducted a study to examine the capacity needed to make a change to NSLDS in order to maintain data on all private borrowers. However, the Department currently collects private loan data for students in Gainful Employment programs who are receiving Title IV aid. Based on our experience in this collection, we believe it would be feasible to implement these changes if the Congress were to pursue statutory change to enable us to collect private student loan data for all students, not just students who receive Title IV aid.

BORROWERS ABILITY TO CHOOSE LOAN SERVICER

Question. I remain concerned by the Department's decision not to allow the Not-for-Profit Servicers to make and service consolidation loans. This action forces student and parent borrowers interested in obtaining a consolidation loan to switch to one of the four TIVAS that they have had little or no contact with, even if they are happy with the performance of their NFP servicer.

Could you please explain the rationale for denying borrowers the choice to remain with their current servicer, if that happens to be an NFP servicer, if they so choose? Will the Department reexamine this policy?

Answer. The responsibility for most elements of originating and servicing new consolidation loans was competitively awarded to the four Title IV Additional Servicers (TIVAS) in fiscal year 2013 as part of the transition from the expiring Common Services for Borrowers contract. As this contractual arrangement is already in place and provides sufficient capacity to provide the required services for all estimated consolidation volume over that period, we do not plan to award additional contracts to service new consolidations at this time. To do so would incur additional expense, create additional risk, and add operational complexity.

SUBCOMMITTEE RECESS

Senator BLUNT. The subcommittee will stand in recess. We will leave the record open for 1 week for additional questions.

[Whereupon, at 11:46 a.m., Thursday, April 16, the subcommittee was recessed, to reconvene at 10 a.m., Thursday, April 23.]